

Fares, Tomaz Mefano (2022)

Power Struggle and Capitalist Transnationalisation of China's Soybean Downstream Complex

PhD thesis. SOAS University of London

DOI: <https://doi.org/10.25501/SOAS.00038389>

<https://eprints.soas.ac.uk/38389/>

Copyright © and Moral Rights for this thesis are retained by the author and/or other copyright owners.

A copy can be downloaded for personal non-commercial research or study, without prior permission or charge.

This thesis cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder/s.

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.

When referring to this thesis, full bibliographic details including the author, title, awarding institution and date of the thesis must be given e.g. AUTHOR (year of submission) "Full thesis title", name of the School or Department, PhD Thesis, pagination.



POWER STRUGGLE AND CAPITALIST TRANSNATIONALISATION OF CHINA'S SOYBEAN DOWNSTREAM COMPLEX

TOMAZ MEFANO FARES

Supervisor: Dr Leandro Vergara-Camus

Thesis submitted for the degree of PhD

2022

Department of Development Studies

SOAS, University of London

Abstract

This thesis examines the power struggle between the different class fractions involved in the capitalist expansion of China's soybean downstream complex since the late 1980s. Drawing from the historical changes in the sector, I analyse through an actor-centred approach the accumulation strategies and political action of relevant soybean processors and traders. These enterprises are related to five different fractions of the bourgeoisie, which compete to secure and promote their interests by forming hegemonic alliances and influencing the state bureaucracy in their favour. Their disputes and political nexus with different bureaucratic segments put into question the idea of a stable and homogeneous state in China. Instead, I argue that state institutions are contentious spaces involving processes of wealth and capital accumulation. Moreover, I highlight China's integration into global circuits of soybean production and consumption through the action of each capitalist class fraction at home and abroad. By highlighting class agency beyond domestic borders, I combine Marxist state analyses with international political economy, filling a gap scarcely explored in the literature.

Through empirically rich research based on extensive primary data, I find that new inter-capitalist disputes since the 1990s' soybean import liberalisation propelled the rise of a globalised fraction of capital from within the state sector. This class fraction, which I call the transnationalised state bourgeoisie, represented mainly by China Oil and Foodstuffs Corporation (COFCO), became prominent during the current Xi Jinping administration. COFCO has changed the sector's economic and institutional settings by collaborating with foreign financiers, speculating over soybean price fluctuations, and operating on deregulated capital markets overseas. Nevertheless, COFCO's rise entailed a constant power struggle with rival capitalist class fractions. In this thesis, I analyse each moment of this struggle while placing it in conversation with the literature on agrarian change and Chinese studies, including debates on rural industrialisation, state capitalism, food security, and outbound agricultural investment.

Keywords: China, soybean, capital accumulation, inter-capitalist disputes, transnationalisation

Table of Contents

Abstract	3
Table of Contents	4
List of Figures	7
List of Tables.....	9
Acronyms and Abbreviations.....	10
Acknowledgements	11
Introduction	12
I. Introduction	12
II. Policy Change and State Capital Relations.....	15
III. Why the Soybean Downstream Complex?.....	18
IV. Articulating State Analyses with International Political Economy	20
V. Research Methodology	22
VI. Structure of the Thesis.....	25
Chapter 1: China’s State-Capital Relations and a Capitalist Class Typology	32
1.1. Introduction	32
1.2. Challenging China’s State-capital Dichotomy	35
1.3. State-capital Relations Revised	38
1.4. China’s transnationalisation of capital	42
1.5. A Typology of the Capitalist Class of the Soybean Complex.....	49
1.5.1. Associated bourgeoisie	49
1.5.2. State-led Bourgeoisie	52
1.5.3. National Private Bourgeoisie	54
1.5.5. Transnationalised state bourgeoisie	56
Chapter 2: The Fall of the Endogenous Accumulation and the Rise of Transnational Capitalism (late 1980s-early 1990s).....	59
2.1. Introduction	59
2.2. Reassessing the Role of Foreign Capital and Local State Corporatism in Soybean Processing.....	62
2.3. The Endogenous Capitalist Accumulation	67
2.4. Politicising Soybean Liberalisation	71
2.4.1. Political influence through U.S.-China Institutional Relations.....	72
2.4.2. Political influence from World Multilateral Institutions.....	75
2.5. Conclusion	78
Chapter 3: New Policies, New Inter-capitalist Disputes of the late 1990s	80
3.1. The Changing Policies in the Chinese Soybean Downstream Complex	80

3.2.	Bringing the Central State Back in the Command	82
3.3.	The State-led and National Private Capitalist Reaction	85
3.4.	The State-led and National Private Capitalist Adaption.....	90
3.5.	The Rise and Transformation of the Associated Capitalist	96
3.5.1.	Accumulation Strategy and Class Interests of the Associated Bourgeoisie.....	97
3.5.2.	The political influence of the Associated Bourgeoisie	99
3.6.	From Associated Bourgeoisie to Transnational Bourgeoisie	101
3.7.	Conclusion	104
Chapter 4: The Formation of a “TNC-transnationalised State” Power Bloc in the Early 2000s		106
4.1.	Calling State Capitalism into Question	106
4.2.	The Transnational Capitalist Reaction and the Formation of New Alliances	108
4.3.	The Rise of the Transnationalised State Bourgeoisie.....	115
4.4.	The Economic and Political Foundations of a New Power-block.....	123
4.5.	Conclusion	131
Chapter 5: The Inter-capitalist Chess Board of China’s Battle of the Beans (2003-2008)		132
5.1.	Rethinking the Official Discourse on Food Security.....	132
5.2.	Going Out for Food Security?	136
5.3.	Further Capitalist Accumulation Integrated to Global Finance.....	142
5.4.	Reacting by Building Broad Alliances	148
5.5.	Turning the Page of the TNC-transnationalised state Power bloc.....	158
Chapter 6: The Errors of the State-led Bourgeoisie during its Political Momentum (2008-2013).....		160
6.1.	Introduction	160
6.2.	Chinese Contrasting Outcomes Domestically and Abroad	162
6.3.	The Re-emergence of the Associated Bourgeoisie.....	168
6.4.	Going Out for What?	176
6.5.	The State-led Shot in the Foot	184
6.6.	Final considerations.....	189
Chapter 7: The Global Rise of the Transnationalised State Bourgeoisie (2013 onwards).....		191
7.1.	Introduction	191
7.2.	A New Search for ‘Spatial and Temporal Fixes’	194
7.3.	The Political Supremacy of the Transnationalised State Bourgeoisie.....	200
7.4.	Thinking Beyond Neomercantilism.....	205
7.5.	More State, Less Neomercantilism.....	211

7.6.	Conclusion.....	215
Chapter 8: The Dynamics of Neoliberal Transition under the Hegemony of the Transnationalised State Bourgeoisie.....		
8.1.	Introduction	218
8.2.	What is China’s Neoliberal Transition About?	221
8.3.	The Domestic Impact of Transnationalised Capital	224
8.4.	The state-led capitalist adaptation and reaction.....	228
8.5.	Building Up a Chinese-centric Accumulation Pole.....	234
8.6.	Final Considerations	240
Conclusion.....		243
Conclusive Remarks on Capitalist Transnationalisation		243
Conclusive Remarks on Power Struggle and the State.....		247
COFCO’s Rise from Subordinated Transnationalisation to Independent Transnationalisation.....		249
What is next?		252
Bibliography.....		254

List of Figures

Figure 1: China's soybean production by region (2001)	64
Figure 2: China's soybean production (1978-1994)	71
Figure 3: US Exports to China	75
Figure 4: China's soybean production and imports	77
Figure 5: China's soybean meal production and imports.....	77
Figure 6: China's soybean and soybean meal exports	78
Figure 7: Fiscal policies in China's soybean downstream complex (1995-1996).....	80
Figure 8: Fiscal policies in China's soybean downstream complex (1998-1999).....	81
Figure 9: China's domestic production and imports of soybean meal and soybean oil.....	88
Figure 10: Soybean usage in China (1991-2003)	89
Figure 11: China's edible oil consumption (1999-2003)	89
Figure 12: Processing capacity of Hualiang, Huanong, and Jiusan.....	91
Figure 13: China's Soybean Annual Prices	92
Figure 14: Pork breeding growth in coastal provinces compared to China's total growth.....	93
Figure 15: China per capita meat consumption (right image).....	93
Figure 16: Soybean crushing capacity of the following enterprises:.....	101
Figure 17: World soybean processing shares	109
Figure 18: East Ocean Grains Industry (EOGI) soybean crushing factory	114
Figure 19: Daily soybean crushing capacity of the following enterprises	115
Figure 20: Ownership share equivalent to the crushing capacity of each group of enterprises in 2009	119
Figure 21: Top 10 soybean processing enterprises in 2003.....	124
Figure 22: Chinas' Crushing Indicators	125
Figure 23: China's retail price of edible oil and fats.....	126
Figure 24: Processing capacity: Foreign TNCs/transnationalised state VS State-led/national private (2003)	127
Figure 25: Percentual Change of Chinese Soybean Prices.....	132
Figure 26: China's soybean imports and domestic production	133
Figure 27: Central State Subsidies to COFCO	140
Figure 28: Chinatex's revenue from soybean imports and other activities.....	142
Figure 29: Soybean processing capacity of state-led and national private capitalist enterprises (columns) and transnational and transnationalised state capitalist enterprises (lines)	145
Figure 30: Direct sales of Heilongjiang Beidahuang Agriculture Group's main agricultural products	150
Figure 31: China's soybean output	152
Figure 32: China's top 8 soybean processors (2009-2013).....	168
Figure 33: US and Brazil shares of China's soybean imports	170
Figure 34: Soybean export share of agribusiness TNCs in the Southern Cone (Brazil, Argentina, Uruguay, and Paraguay)	171
Figure 35: Soybean processing capacity by region in 2012	172

Figure 36: China's combined swine and poultry output (yearly average between 2008 and 2012).....	172
Figure 37: Ownership proportion of China's soybean imports.....	174
Figure 38: Proportion of Sunrise's soybean suppliers in 2013	175
Figure 39: Sunrise's trade income and profit margin.....	178
Figure 40: Prices of soybean futures at the Chicago Board of Trade.....	179
Figure 41: China's port utilisation/inventory rate of soybean	180
Figure 42: The image shows workers of Jiangsu Nantong Port unloading imported soybeans at the dock in January 2014	180
Figure 43: Price variation of domestic and imported soybean at Dalian Commodity Exchange	181
Figure 44: Chinatex's profit margins of soybean imports and processing.....	183
Figure 45: China's Average Soybean Crushing Profits	185
Figure 46: Proportion of Jiusan's soybean procurement.....	186
Figure 47: China's domestic soybean production and imports	187
Figure 48: Beidahuang's revenue and profit (2011-2014).....	188
Figure 49: Chinese soybean import shares by company	190
Figure 50: China's soybean crushing capacity and production indicatives	196
Figure 51: China's soybean market destination	197
Figure 52: Enterprises affiliated to COFCO Capital in China.....	198
Figure 53: Ownership share of each enterprise's crushing capacity in 2018.....	199
Figure 54: State Subsidies to COFCO	202
Figure 55: Soybean processors with daily crushing capacity above 20,000 tons in China (2013-2019)	205
Figure 56: COFCO's soybean exports from Brazil and Argentina in 2018.....	207
Figure 57: Profit evolution (2014-2021)	211
Figure 58: Ownership Share of COFCO's Soybean Crushing Capacity	214
Figure 59: Annual revenue of key enterprises.....	228
Figure 60: Soybean export share from traders in the Southern Cone (Brazil, Argentina, Uruguay, and Paraguay)	236

List of Tables

Table 1: Illustrative table.....	58
Table 2: COFCO International’s financial indicators.....	120
Table 3: Production size of oilseed processing enterprises	125
Table 4: COFCO’s Merges and Acquisitions.....	139
Table 5: Economic indicators of Chinese central agribusiness SOEs in 2003	140
Table 6: COFCO's and Chinatex profits.....	144
Table 7: Chinatex’s financial indicators	158
Table 8: State Subsidies to Beidahuang	164
Table 9: Beidahuang’s economic indicatives overseas	165
Table 10: China’s average soybean stockpile.....	169
Table 11: China’s top 5 soybean importers in 2013 (unit: million tons, %)	173
Table 12: Gross profit margin of Sunrise's core businesses	177
Table 13: Sunrise's soybean imports volume and price indicators.....	178
Table 14: Jiusan’s soybean procurement indicatives	183
Table 15: Economic indicators of state-led and transnationalised state enterprises.....	204
Table 16: Noble’s and Nidera’s soybean industrial share in South America.....	206
Table 17: COFCO’s financial indicators	210
Table 18: China's soybean production indicatives	226
Table 19: Jiusan’s soybean meal and soybean oil sales and revenue.....	227

Acronyms and Abbreviations

ABCD – Archer Daniels Midland, Bunge, Cargill, and Louis Dreyfus
ADM – Archer Daniels Midland
ASA – American Soybean Association
Bohai – Shandong Bohai Industrial Corporation
CBT – Chicago Board of Trade
CCP – China Communist Party
CGLC – China Grains and Logistics Corporation
CGOG – China Grains & Oils Group
Chinatex – China National Textile Corporation
China TUHSU – China Native Produce & Animal By-Products Import & Export Corporation
CAIFM – COFCO Agricultural Industrial Investment Fund Management Corporation
CIC – China Investment Corporation
CIL – COFCO International Corporation
COFCO – China Oil and Foodstuffs Corporation
COFCO Capital – COFCO Capital Investment Corporation
DCE – Dalian Commodity Exchange
GMO – Genetically modified organism
Hopeful – Hopefull Grain and Oil Group
IFC – International Finance Corporation
IPO – Initial public offering
Jiusan – Heilongjiang Jiusan Oil & Fat Corporation
MARA – Ministry of Agriculture and Rural Affairs of the People's Republic of China
MOFCOM – Ministry of Commerce of the People's Republic of China
PRC – People's Republic of China
POE – Private owned enterprise
SASAC – State-Owned Assets Supervision and Administration Commission
Sinograin – China Grain Reserves Corporation
SOE – State-owned enterprise
Sunrise – Shandong Sunrise Group Corporation
TNCs – Transnational corporations
TVEs – Township village enterprises
WTO – World Trade Organisation

Acknowledgements

My deepest gratitude to my PhD supervisor and lifetime inspiring friend, Dr Leandro Vergara-Camus, for his extraordinary guidance. Leandro's unlimited support was key throughout all my PhD journey, from first-year research planning to final-year writing up. His extensive knowledge and expertise were unequivocally influential in conceptualising and structuring my research. Not least, Leandro's help and advice encouraged me in multiple aspects of my academic career and daily life.

I would also like to particularly thank my second PhD supervisor, Dr Tim Pringle, for his careful reading and incisive comments on my chapter drafts. Tim's outstanding academic experience and humanistic practices are examples I take for life. I also appreciate Carlos Oya for agreeing to join my PhD supervisory committee and providing this thesis with insightful input.

I am grateful to my parents, Ligia Mefano and Fabio Fares, for their uncountable love and generous material support. I am also thankful to my older sister Barbara and younger brother Lucas for their cheerful companionship. Without the unparalleled support of my family, it would be impossible to endure the long and winding "PhD road".

I would like to extend my sincere thanks to my former partner, Anna Benchimol, who followed most of my research trajectory. Our relationship's mutual care and compassionate solidarity were essential to withstand the social deprivations during the covid pandemic and every other difficult moment.

My research was also made possible by the financial support of the Joint Research PhD Fellowship of the Confucius China Studies Program in 2018 and 2019. I would like to offer my special thanks to my mentor, Dr Guo Jie, for kindly guiding me through the program and providing helpful feedback on my fieldwork research.

Introduction

I. Introduction

Soybean farming and commercialisation were initiated in North-east China, Manchuria, and have been a central element of China's economy and food consumption throughout its history (Bray 1984).¹ As a multi-functional crop, soybean is used for different purposes, such as vegetable oil, food ingredient, biodiesel and, more importantly, an essential livestock feed (Sharma 2014). During the *reform and opening-up* period initiated in 1978, China consolidated a powerful agro-industrial soybean complex dominated by a handful of conglomerates with market-driven and profit-seeking strategies. This thesis analyses their expansion in the sector's downstream segment, which includes farming, soybean crushing for feed-use and other processing activities such as soybean oil refining and food processing. It also includes transportation/distribution and storage logistics, cross-border trade and commercial retail of soybean and soybean products.

Among the enterprises operating in the sector, COFCO (中粮集团 in Chinese) has become the most prominent since Xi Jinping took office in 2013. With the acquisition of two big agri-food transnationals in 2016 (the Hong Kong-based Noble Agri, and the Dutch-based Nidera), COFCO entered the top list of global soybean traders and processors. Its operations have dominated the domestic soybean downstream complex and reached over 140 countries and regions in the world (COFCO n.d.). COFCO's prominence has significantly altered the sector's economic development and institutional settings. The company has carried out a finance-driven expansion based on global soybean price speculation and capital operations domestically and in deregulated financial markets overseas. Most of its business in the sector is based on offshore companies, including listed companies in Hong Kong and more than a hundred subsidiaries in tax heavens, from which they abide by shareholding values and enjoy financial secrecy. COFCO's finance-driven expansion at home and abroad coincides with the progressive liberalisation of China's derivatives and capital markets, allowing an

¹ Historians show that soybean was first cultivated in China during the Zhou dynasty (after 1050 - 221 BCE) and, later on, spread to South-east Asia and Japan (Bray 1984; cited in Shurtleff and Aoyagi 2016, 2870).

unprecedented growth of price speculation and capital operations among Chinese soybean processors and traders.

I examine COFCO's rise through the lens of capitalist state analyses. I demonstrate that the company's trajectory involved intense disputes and alliances with other players in the sector, each with different capital accumulation strategies and relationships with state institutions. I classify these enterprises in what I consider to be five different fractions of China's emerging capitalist class. I point out that the political and economic rivalry between these class fractions intensified with the liberalisation of soybean imports in the mid-1990s. As the sector integrated into transnational circuits of production and consumption, each fraction adopted different forms of accumulation and sought to access the state and receive political support to dominate the market and invest overseas.

To understand the historical changes in China's soybean downstream complex, I use an actor-centred approach that seeks to study crop-specific contingent outcomes. I draw on the diversity of players in the sector by identifying a representative number of influential enterprises and state institutions. Each enterprise's accumulation strategies combines political and economic practices to amplify their bases of wealth and capital accumulation through extracting rent, gaining profits, and extracting surplus value from production. By analysing these accumulation strategies, I investigate the role of each fraction of the bourgeoisie in the capitalist expansion and the political implications of their struggle for power on the other ones or on the downstream soybean complex as a whole.

The groupings I have created are however not static. Enterprises originally associated to a particular class fraction can eventually change their nature according to shifting accumulation strategies and external political and economic conditions. At the same time, capitalist class fractions can also mutate and disappear according to historical circumstances. The capitalist class fractions of the downstream soybean complex are:

- 1) Associated Bourgeoisie: This class fraction refers to capitalists with an associated relationship with both foreign capital and the Chinese state. It rose from Overseas Chinese and other intermediary strata that invested in China after becoming East Asian core capitalists. The associated bourgeoisie combines comprador links in the global trading system with industrial operations. It is represented by the Singaporean-based *Wilmar International* and *Kuok Brothers Group*, and the Hong Kong-based *Noble Group*. After 2008, *Sunrise* (晨曦集团 in Chinese) and other

National Private capitalists (more on this below) from Shandong Province also became part of the Associated Bourgeoisie.

- 2) State-led Bourgeoisie: This class fraction is composed of capitalists from the state sector and private partners. It generally displays nationalist political behaviour. It emerged from corporate reforms in the 1990s, forming market-driven conglomerates particularly engaged in the domestic soybean processing industry. The main enterprises related to the state-led bourgeoisie are the local state-owned Jiusan (九三集团 in Chinese, a subsidiary of Beidahuang [北大荒 in Chinese], from Heilongjiang Province) and the centrally controlled state-owned China Grain Reserves Corporation (中储粮 in Chinese, henceforth Sinograin).
- 3) National Private Bourgeoisie: This class fraction is initially composed of the private entrepreneurs from coastal free-trade zones and former managers of State-owned Enterprises (SOEs) and Township and Village Enterprises (TVEs) who ventured into the private sector.² The enterprises related to the national private bourgeoisie are *Dalian Hualiang* (大连华粮 in Chinese) and *Dalian Huanong* (大连华农 in Chinese), originally from North-east China, and *Hopefull Grain and Oil Group* (汇福粮油集团 in Chinese, henceforth *Hopefull*) and *Shandong Bohai Industrial Corporation* (山东渤海实业集团 in Chinese, henceforth *Bohai*) from coastal provinces.
- 4) Transnational bourgeoisie: This class fraction represents a segment of the global corporate capital emerging from neoliberal reforms in the 1970s. In the Chinese soybean downstream complex, the transnational bourgeoisie accompanied the influx of foreign trade and investments in coastal regions, particularly after the liberalisation of soybean. It traditionally subjugates productive capacity to financial circuits of price speculation on trade and capital investment. This class fraction's main representatives are the four largest North Atlantic-based transnational corporations (TNCs), also known as the ABCD: Archer Daniels Midland (ADM), Bunge, Cargill, and Louis Dreyfus. Since the late 1990s, the formerly associated capitalists Wilmar International and Noble Agri had also become part of the transnational bourgeoisie.

² TVEs are market-oriented enterprises generally administrated by provincial and municipal governments.

- 5) Transnationalised state bourgeoisie: This is a Chinese-based fraction of the transnational capitalist class. It is based on segments of the state integrated into global finance and associated with foreign capital. This class fraction combines state control and party hegemony with transnational structures of power based on financialisation and accumulation by dispossession.³ The transnationalised state bourgeoisie is represented by the two state-owned trading conglomerates *China National Textile Corporation* (中纺集团 in Chinese, henceforth *Chinatex*) and *COFCO*.

For the purpose of this introduction, my classification of the different players in the downstream soybean complex into these five capitalist fractions is simply to provide a glimpse of my analysis of the sector. A fuller and more detailed typology will be developed in Chapter 1.

II. Policy Change and State Capital Relations

The disputes between capitalist class fractions in the soybean downstream complex accompanied dramatic policy changes since the 1990s. These changes are often perceived through a binary division between state and capital. On the one hand, some authors inspired by the neo-Weberian concept of a developmental state or the CCP's reformist idea of "socialism with Chinese characteristics" see state institutions as autonomous entities for decision-making. They assume a separation between policymaking and diverging capitalist interests within the society (see Chapter 1). On the other hand, some authors examine recent forms of capitalist accumulation only from the market lens, supposing that related enterprises restrict their action to business procedures with no or little political influence. Both approaches in the literature are reinforced by the apparent stability of the Chinese political regime, marked by the uninterrupted and absolute control of the state by the China Communist Party (CCP) since

³ Accumulation by dispossession refers to a continuing process of what is known in the Marxist literature as primitive accumulation. It applies to the social and political relations of existing capitalist society that entail the expansion or takeover by capital through enclosure and appropriation of individual or public assets. This form of accumulation became evident with processes of privatisation and financialisation brought about by global neoliberalism in the late 1970s (Harvey 2005).

1949. As the CCP has no internal fractions with transparent opposition to its leadership, it gives the impression of a monolithic and immutable power structure.

However, by separating the political and economic aspects of capitalist development, the scholarship falls short of identifying and explaining some contradictory outcomes of the historical changes in the soybean downstream complex. For example, in 1995/1996, the central government took the first step to open the domestic market to imports of soybean and soybean products (Chapter 2). Gale (2015), Hsu (2001), McKee (2004), and Huang and Gao (2014), among other scholars in line with the CCP's discourse on food security, justify the liberalisation policy by looking at its economic implications. They contend that outsourcing soybean was a solution for the country's increasing meat consumption, allowing foreign feed supply to alleviate the domestic constraints of grain production and boost the domestic feed and livestock industry. However, contrary to what these scholars indicated, the four leading North Atlantic-based transnationals (the ABCD) were the ones who initially benefited the most from China's trade opening-up. They increased their sales of soybean and soybean products whereas the three leading Chinese soybean processors at the time – the state-led Jiusan, and the national private Dalian Hualiang and Dalian Huanong – lost competitiveness in the sector.

In the late 1990s, though, China reimposed taxes on processed soybeans while keeping the market open for raw soybean imports (Chapter 3). Again, Gale (2015) Hsu (2001), Mckee (2004), and Huang and Gao (2014), among others, examine the economic reasoning for such an erratic policy change. Through their analyses, we understand how the new fiscal regime propelled the rise of an import-oriented processing hub, allowing state-led and national private capitalists to adjust their accumulation strategies and grow by investing in coastal provinces. However, scholarship often ignores the continuous action of capitalist players (mostly transnationalised state capitalists) within the state and the subsequent approval of laws allowing price speculation. Without considering the political dimension of the historical change, they fall short of explaining a new reshuffle in inter-capitalist relations that took place in the sector in the mid-2000s.

Accordingly, amidst sharp price fluctuations in the global soybean market, the ABCD, alongside the Singaporean-based Wilmar International and the Hong Kong-based Noble Agri, took over 70 per cent of China's processing capacity (Chapter 5). Chinese scholars (Jiang 2007; Q. Guo 2008b; 2008a; 2010; Y. Guo 2012; Li 2009; Su 2009; Zhuang 2009) in line with the CCP's food security discourse explain in detail how these players speculated and benefited from price fluctuations. As they show, agribusiness TNCs flooded the domestic market with imported raw soybeans and refinanced Chinese enterprises that could not bear trade risks

during global price spikes. However, Chapter 5 notes that while China's food security discourse focused on domestic ownership against foreign ownership, the state traders like COFCO and Chinatex collaborated with foreign TNCs and grew over other Chinese soybean processors. As members of the transnationalised state bourgeoisie, these two state traders leveraged capital in global capital markets, speculated over global soybean price fluctuations, and acquired domestic firms through Sino-foreign joint ventures.

In 2008/2009, a crucial political shift redefined once again the balance of power in the soybean downstream complex: The Chinese government took effective measures to limit the collaboration between Chinese enterprises and foreign TNCs, favouring soybean processors that were previously affected by global price fluctuations (the state-led bourgeoisie and national private bourgeoisie). One cannot explain why state institutions let down the previously prominent COFCO and Chinatex without combining the political and economic elements and considering the reaction of rival capitalist class fractions, as I will show in Chapter 5. Notwithstanding, during Xi Jinping's administration (2013 onwards), COFCO's transnationalised state bourgeoisie regained political prominence and grew over the same enterprises that had become prominent in the previous period. Even though a multitude of news outlets, business reports and academic articles have described in detail COFCO's economic achievements at home and abroad, there is still little understanding of why the state gave preferable support to this specific company and endorsed its finance-driven accumulation strategy.

After all, one could still argue that policymaking in the soybean downstream complex reflects a pattern of improvisation, in which institutions follow a coevolutionary process, learning from their own mistakes (Ang 2016). From this perspective, the Chinese state would adjust its policies according to varying economic contexts, which justifies the sector's constant reshuffle. However, a supposedly improvising character of Chinese policymaking does not entirely explain the disputes between different players and their contradictory outcomes.

As an alternative, this thesis addresses the gaps in the literature by identifying the state as a space for wealth and capital accumulation. Instead of depoliticised business players, the leading enterprises in the soybean downstream complex expand their bases of accumulation by influencing state institutions through political action. Inspired by Nicos Poulantzas' (1976; 1978) and Bob Jessop's (1990) state analyses, I highlight the heterogeneity of capitalist class formation and the convergences and divergences of each fraction of capital when accessing state decisions. From this understanding, I argue that state-capital relations vary over time as hegemonic formations favour one or a group of capitalists over others. Moreover, inspired by

Leandro Vergara-Camus' (2021; 2018; Vergara-Camus and Kay 2017) analysis of Marx's idea of ground rent, I see the state as the 'organisational locus' where capitalist interests take shape via class struggle and politically constituted property rights.

From this perspective, I explain the constitution of power blocs between dominant capitalist class fractions in different periods. This includes the alliance between transnationalised state capitalists and foreign TNCs in the late 1990s and early 2000s and between transnationalised state capitalists and state-led capitalists during the Xi Jinping administration. I argue that these power blocks implied broad institutional rearrangements, particularly in the last period, when progressive liberalisation of China's capital markets allowed the ultimate rise of COFCO. The company benefited from state-granted monopolistic rights to expand as a competitive player among transnational fractions of capital.

III. Why the Soybean Downstream Complex?

The soybean downstream complex presents historical singularities that facilitate our understanding of state-capital relations and policy changes. As an essential feed crop, soybean has profound implications for the CCP's political-strategic interests regarding food security. This comes as China's rapid urbanisation, rising incomes, and improvements in living standards have contributed to a transition towards diets higher in protein (as well as fats and sugar). Although cereals are still the foundation of the Chinese diet, increasing meat intake, particularly in urban centres has followed what is known in the West as 'meatification' of consumption habits (Weis 2007). Moreover, the modernisation of China's livestock industry, moving from small households' backyards to specialised and large-scale commercial farms, has demanded abundant commercial animal-feed supply (Schneider and Sharma 2014).

Soybean and maize, often combined, are considered the two primary feed ingredients for livestock. After the soybean is crushed, its hardened mass, the soybean meal, also known as soybean cake, provides protein-intensive feedstock.⁴ The Chinese government has time and

⁴ The soybean meal is responsible for an average of 75 per cent of protein meal, becoming more and more a key component of animal feed (Sharma 2014, 16). By 2007-08, as much as 85 per cent of the world's soy crop was being used in the production of meat (Murphy, Burch, and Clapp 2012). The crushing process consists in cleaning it from impurities, first heating (to help produce the moisture and loosen the hull), pressing in roller mills, removing the hulls, and heating again at high temperature until

again included soybean in food security programs, supporting both domestic production and outbound sourcing efforts. Securing the supply of soybean meal and its subproduct, soybean oil, appears central to China's social and economic stability, which sustains the party/state political legitimacy (Lin 2017).

However, despite its strategic-political role, the Chinese soybean downstream complex has fully integrated into global value chains, becoming the world's largest soybean importer a few years after its market liberalisation in the late 1990s (Chapter 2). The soybean commodity market is among the world's largest and most concentrated (Gale, Valdes, and Mark 2019). Its production is primarily based in a few countries, among which Brazil has become the leading exporter since the early 2010s, followed by the United States and Argentina. To secure soybean supply, Chinese enterprises have sought sourcing strategies overseas following the government's "going-out" attempts. Despite abiding (at least formally) by food security governance (discourse and policies), Chinese players adapted their operation and management to global standards, which in COFCO's case, included an organic integration into financial markets. At the same time, as China's soybean downstream complex became heavily reliant on imports, it integrated into trading systems controlled by foreign agribusiness TNCs, which set selling prices in the Chicago Board of Trade (CBOT).

Therefore, every aspect of the relationship between state and capital in the soybean downstream complex is remarkably distinct. For instance, the Chinese government's attempts to control trade and regulate prices have often represented a direct clash with global circuits of production and consumption (Chapter 5). Likewise, the adherence of Chinese capitalist class fractions to global markets often signals a straightforward restraint on food security governance (Chapters 2 and 7). In this scenario, the soybean downstream complex provides a micro-level illustration of the mutable dynamics of the Chinese state. Its historical changes bring empirical and reflexive scrutiny to China's broad inter-capitalist disputes and their dynamic political nexus. The conglomerates that control this sector have extensively diversified businesses. Their expansion strategies have broad economic implications and are often influenced by China's rural policies in general. Moreover, as an essential guarantor of feed production related to the livestock industry, the power dynamics of the soybean downstream complex relate to China's overall agricultural development.

they become soft and proper for rolling into flakes. The flakes are subjected to a chemical process from which soybean oil is extracted, and a wet meal is obtained.

IV. Articulating State Analyses with International Political Economy

As mentioned previously, the early integration of China's soybean downstream complex into global markets has decisively impacted the sector's diverging state-capital relations and policy changes. This became evident not only when transnational fractions of capital integrated the domestic market after import liberalisation but also when Chinese enterprises went abroad since the early 2000s. Therefore, I engage with the literature on Chinese outbound agricultural investments, which sheds light on the varying soybean sourcing strategies adopted by different enterprises overseas. The literature covers a broad range of topics, usually related to the political and economic implications of Chinese investments in host countries. However, as most scholars do not focus on China's internal state and class analyses, they still have a limited understanding of why and how enterprises go (or do not go) abroad.

For example, the transnationalised state capitalists COFCO and Chinatex were among the first enterprises to set commercial bases in Brazil. In a detailed account, Gustavo Oliveira (2017; 2018) shows that due to the mistrust of local government officials and agribusiness professionals, Chinatex aborted its initial plans to partner with local traders and cooperatives. Instead, it ended up associating with foreign TNCs in Brazil, becoming their preferred trading partners. Oliveira helps us understand the changing Chinese sourcing strategies overseas by highlighting the agency of each player related to historical relations of power. However, his findings fall short of linking the Chinese international expansion with the domestic political economy. Addressing this gap, Chapter 5 indicates that COFCO's and Chinatex's "subordinate alliance" with foreign TNCs in Brazil changed the inter-capitalist relations in the Chinese soybean downstream complex as the two Chinese enterprises consolidated their finance-driven accumulation strategy at home, growing over state-led and national private rivals. They acquired Chinese bankrupted processing enterprises mostly through Sino-foreign joint ventures and expanded through borrowings and capital operations abroad.

On another occasion in the late 2000s, state institutions supported Chinese enterprises primarily related to the state-led bourgeoisie to seek independent sourcing strategies in Brazil and other South American countries. This time, Oliveira (2017) argues that due to their propagandistic and "political-driven" investment methods based primarily on farmland acquisitions, these enterprises became easy targets for land grab accusations, attracting political

hostility that eventually contributed to their own failure. However, by looking beyond global level, Chapter 6 notes that these enterprises went abroad at a time of rivalry against transnational fractions of the bourgeoisie in China. As part of this rivalry, the Chinese government incentivised the associated bourgeoisie (represented by Sunrise and other POEs from Shandong province) to increase their control over Chinese soybean imports. The associated bourgeoisie's impact on trade provoked adverse outcomes to overseas Chinese investments, which went unnoticed by the literature. As associated capitalists sold cheap soybean at home, they discouraged outbound investment attempts and disrupted domestic soybean farming controlled by the state-led bourgeoisie.

Lastly, since Xi Jinping took office in 2013, the transnationalised state capitalist COFCO launched new investments in soybean sourcing abroad with state support. Belesky and Lawrence (2019), McMichael (2020), and Tilzey (2018) argue that COFCO's investments follow a territorialised approach, abiding by food security policies and meeting China's domestic soybean consumption, which they identify as a neomercantilist strategy. However, considering COFCO's finance-driven accumulation and relationship with the state in China, Chapter 7 shows that its overseas operations focus on financial speculation rather than production and trade. At the same time, Chapter 8 points out that the success of COFCO's investments overseas and its disputes with foreign TNCs for control over global soybean supply chains has altered power relations at home: The company allied with state-led capitalists and galvanised the government to support the liberalisation of China's derivatives and insurance markets, enabling financial institutions to participate more and more in domestic futures contracts.⁵ At the same time, the new capitalist class alliance boosted the centrality of the domestic market as a global competitor to the Western financial centres.

To articulate the global and domestic aspects of capital accumulation in the soybean downstream complex, I follow the Marxist concept of uneven and combined development. From this perspective, I reaffirm that China internalises the contradictions of the world economy through diverging interactions with foreign capital (Chapter 1). As a late industrialiser, the country combines different stages of development, generating a heterogeneous capitalist class structure. Moreover, drawing from discussions on the transnationalisation of capital, I emphasise the agency of different fractions of the bourgeoisie acting at home and abroad. I demonstrate that their accumulation strategy and political

⁵ Futures are a financial instrument agreed upon between parties unknown to each other to buy or sell a product at a predetermined price and at a specified time in the future.

engagement are evidence of globalised power relations. Following the same logic, I agree with Lin Chun's (2012, 442) view of "capitalism as a historical and global epoch that conditions individual national movements". As she states, China's positioning in the world economy is path-dependent and involves intrinsically plural institutions and ideological contentions.

This perspective sheds light on the activism of agribusiness TNCs within international bilateral and multilateral institutions to liberalise soybean imports in China. It also helps us explain the subsequent adaptation of leading domestic soybean processors related to state-led capitalists towards import-oriented operations. I argue that the integration of China's soybean downstream complex into transnational circuits of capital contributed to the emergence of new capitalist class fractions and the increasing rivalry between them. This process has implied contentious and contingent state-capital relations from which COFCO's transnationalised state bourgeoisie managed to become prominent.

V. Research Methodology

This thesis works with qualitative methods of social science research. It relies primarily on data collected in eighteen months of fieldwork from August 2018 to February 2019 and sporadic information up to date. I spent the first year in Beijing, occasionally travelling to several Chinese cities. In the following half-year, I went to Rio de Janeiro and other Brazilian cities. I gathered information on the accumulation strategies of each enterprise based on the following aspects:

- 1) Ownership structure;
- 2) Executives' ideological tendencies and personal trajectories at both political and economic fields;
- 3) The segments of the soybean downstream complex and the regions that they invest in;
- 4) Methods for gaining profit, extracting rent and surplus value, which include the different types of management and operation in the sector;
- 5) Financial mechanisms of raising capital and allocating resources;
- 6) Investment methods overseas, including economic segments and regions.

I also gathered data on the relationship between enterprises and state institutions, including the following aspects:

- 1) Direct and indirect participation of executives and entrepreneurs in the bureaucracy, including consultive government bodies, seats in the parliament, departments and commercial agencies, as well as their membership status and position in the CCP;
- 2) Agreements with state institutions for utilising land, natural resources and other political constituted property rights;
- 3) State's financial incentives to each enterprise, such as subsidies and bank credit;
- 4) Political statements and directives in favour of specific accumulation strategies;
- 5) Public investments in regions and economic segments from which each enterprise could benefit;

I collected primary data from informal meetings and semi-structured interviews with a heterogeneous population of 40 people. The participants were from enterprises,⁶ state institutions,⁷ semi-official institutions,⁸ and academic research institutions.⁹ The interviews and informal meetings have covered a variety of questions including the participants' viewpoints, feelings and judgments regarding issues delineated in the frame of my research, as well as topical trajectories straying away from the original questions. I have acted with prudence, preserving the confidentiality of the information collected during the interviews. To protect the interviewees' integrity, I used pseudonyms to anonymise their identities and deleted or altered the references to their professional positions to restrain or obscure their biographical details.

I relied on both institutional and extra-institutional channels to find and connect with the participants. The former was facilitated by the Confucius China Studies Scholarship Programme (affiliated to China's Ministry of Education), which granted me funding in 2018 and 2019. As part of the scholarship programme, I gained the status of visitor researcher at Peking University, working in collaboration with Dr Guo Jie, from the Department of

⁶ Corporate headquarters of COFCO and Beidahuang; COFCO's and Sinigrain's subsidiaries, such as China Agri-Industries, COFCO International (Brazil), and Sinograin's Tangshan Oil and Fats enterprise; and enterprises not directly covered by this research, such as the giant feed company Aonong Group, BBKA Brazil Industrial and Investment, and Huatai Futures.

⁷ China's Ministry of Agriculture and Rural Affairs and the Brazilian Embassy in Beijing.

⁸ The BRIC Agri-Info Consulting, the Oilseeds Research Department of Sublime China Information (SCI), and the Brazilian Trade and Investment Promotion Agency (APEX) in China.

⁹ China Agricultural University, Renmin University, Beijing University, Anhui University, the Institute of Agricultural Development (IAD) of the Chinese Academy of Social Sciences (CASS), and the Federal Rural University of Rio de Janeiro (UFRRJ).

Comparative Politics of the School of International Studies. This entitlement increased my opportunities to arrange interviews with many specialists and industry insiders, as it helped eliminate suspicions regarding my identity and aims in China. I also had better access to libraries and archives at Peking University and other core Chinese universities, as well as more accessible contact with professors and research laboratories. However, even with these facilitators, I struggled to obtain relevant information from the interviewees. The reason for that relies primarily on the cultural distance between them and I and the Chinese restricted political environment, which contributed to their fear of suffering retaliation from authorities or being stigmatised in their workplace.

To overcome this limitation, I relied on varied alternative sources, most of which comprised Chinese articles and reports from various news outlets. These were business journals and newsletters,¹⁰ industry magazines,¹¹ institutional journals from state agencies and the CCP,¹² specialised academic journals,¹³ newspapers,¹⁴ and websites.¹⁵ Some of them contain

¹⁰ China Urban Economy (中国城市经济), China Economic and Trade Herald (中国经贸导刊), 21st Century Business Review (21 世纪商业评论), Business Watch Magazine (商务周刊), Financial News (金融时报), VIP of Fortune (财富人物), Finance Economy (金融经济), New Financial Observer (新金融观察), Market News (市场报), China Investment (中国投资), China Entrepreneur (中国企业家), 21st Century Business Herald (21 世纪经济报道), China Business Journal (中国商报), Vitality (活力), China State-owned Enterprise Management (国企管理), Enterprise Observer (企业观察家), Talents Magazine (英才, 商业杂志), Investor Journal (投资者报), Directors & Boards (董事会).

¹¹ China Oils and Fats magazine (中国油脂), Cereals and Oils Processing (粮油加工), Agriculture Economics (农经), Leisure Agriculture and the Beautiful Countryside (中国乡镇企业), Guide to Chinese Poultry (中国禽业导刊), Heilongjiang Grain (黑龙江粮食), Xin Nongye (新农业), 中国粮食经济 China Grain Economy, AgriGoods Herald (农资导报), Shanghai Securities Journal (上海证券报), Food Industry (食品界), Adviser of Peasant Families (农家参谋, 种业大观), Feed China (饲料), The Marketing of Cotton and Jute of China (中国棉麻流通经济), New Rural Technology (农村新技术), Agricultural Products Market (农产品市场周刊).

¹² State-Owned Assets Report (国资报告), Government Finance (新理财, 政府理财), Journal of International Economic Cooperation (国际经济合作), Qizhi (旗帜), and The Communist (共产党员).

¹³ China's Foreign Trade (中国对外贸易) and New West (新西部).

¹⁴ China Securities Journal (中国证券报), Grain News (粮油市场报), Heilongjiang Daily (黑龙江日报), China Business News (第一财经日报), China Times (华夏时报), Peoples' Daily (人民日报), China Economic Times (中国经济时报), Futures Daily (期货日报), Economic Daily (经济日报), The Beijing News (新京报), Shenzhen Economic Daily (深圳商报), Southern Weekly (南方周末), Xinhua (新华社), The Time Weekly (时代周报), and Yangcheng Evening News (羊城晚报).

¹⁵ Sina (新浪财经), Economic Observer (经济观察网), and Sohu (搜狐).

valuable interviews with industry insiders and related state officials. Although the interviews generally have a propagandistic character, focusing on the government's political achievements in the industry, they reveal the mindset and strategies of the players involved. Most of the news outlets are no longer active and can only be found in online and physical archives.

In addition, I considered a wide variety of companies' internal announcements, as well as reports from credit rating institutions,¹⁶ stock and commodity exchange boards,¹⁷ and industry associations.¹⁸ Many of these sources explain in detail state policies towards the sector and the financial performance of some enterprises. I have also referenced newspaper and magazine articles in English and Portuguese,¹⁹ as well as a systematic multilingual literature review. I often triangulated different sources in order to increase the reliability of my research findings.

For consultation on census data and statistics related to the sector (like soybean production and trade and processing capacity), I relied primarily on online portals of Chinese state institutions such as the General Administration of Customs (CGAC), the Ministries of Commerce (MOFCOM) and Agriculture and Rural Affairs (MARA), and various official statistic yearbooks.²⁰ I also consulted online portals, such as the Food and Agriculture Organization of the United Nations (FAO), and the commodities trade database Trase Earth, among others. Moreover, I made extensive use of industrial databases provided by Sublime China Information (卓创咨询), Qichacha (企查查), BRIC Agri Consulting (布瑞克), and Cofeed (天下粮仓). These sources contain corporate information on ownership structure, investment transactions, processing and trading capacity, among other aspects.

VI. Structure of the Thesis

¹⁶ China Lianhe (联合资信评估).

¹⁷ Dalian Commodity Exchange and Hong Kong Exchanges and Clearing.

¹⁸ China Soybean Industrial Association (CSIA) and Heilongjiang Soybean Association.

¹⁹ The sources in English include World Grain Magazine, Financial Times, Foreign Affairs, Asia Today International, The Times, The New York Times, The Wall Street Journal, Reuters, Bloomberg, South China Morning Post, China Daily. The sources in Portuguese include Valor Econômico, Estadão, and Folha de São Paulo.

²⁰ China State-owned Assets Supervision and Administration Yearbook, China Feed Industry Yearbook, China Agriculture Yearbook, China Grain Yearbook, and China Yearbook of Agricultural Price Survey.

Chapter 1 sets the theoretical background for analysing the inter-capitalist relations and power struggle in the soybean downstream complex. I engage with the literature on state capitalism and similar approaches as an alternative to the idea of a binary division between state and capital in China. State capitalism takes the bureaucracy as an active market player, directly fostering and driving capitalist accumulation. I also engage with Nicos Poulantzas' (1976; 1978) and Bob Jessop's (1990) work on capitalist states to examine the action of capitalists within the state and their political and economic implications. As mentioned previously, this theoretical approach considers the state as a process of class struggle, in which capitalist class fractions form hegemonic alliances and provide unity to conflictive social relations. Drawing from Vergara-Camus' (2021; 2018; Vergara-Camus and Kay 2017) work on the Marxist concept of ground rent, I also highlight the centrality of the state in allowing rentier strategies of accumulation through politically achieved property rights.

Moreover, in order to understand the transnationalisation of Chinese fractions of the bourgeoisie, Chapter 1 dialogues with Marxist scholars (Rolf 2021; Peck 2021) that argue for the need to think of capitalism as a process of uneven and combined development. These scholars call attention to the heterogeneous structure of Chinese capitalism as a system that develops in leaps by incorporating the contradictions of the world economy. Moreover, I review discussions on the transnationalisation of capital to show how class agency at home and abroad affects Chinese political structures and policies. I set a debate with Jerry Harris' concept of transnational state capitalism as a useful conceptual tool to explain COFCO's global drive. Unlike Harris' understanding, though, I point out that while COFCO's transnationalised state bourgeoisie has presented itself as a statist competitor of North Atlantic-based TNCs during the Xi Jinping administration, it reproduces the finance-driven accumulation strategy of its foreign counterparts instead of becoming a social-statist alternative. Lastly, in chapter 1, I propose a class typology of the sector, explaining in detail the historical trajectories, class interests, and forms of accumulation of each of the five fractions of the bourgeoisie.

The following chapters are structured according to significant periods of the recent history of the soybean complex. Chapter 2 covers the late 1980s to the mid-1990s. It analyses the accumulation strategies of three main capitalist class fractions: the state-led bourgeoisie, the national private bourgeoisie, and the transnational bourgeoisie. To understand their early expansion in the sector, I engage with Bramall's (2007) work on China's rural industrialisation. Bramall critiques scholars that see foreign capital and local state corporatism as China's primary industrialising driver. In line with Bramall, I indicate that foreign capital represented

by the transnational bourgeoisie benefited from free soybean trade and price speculation instead of productive activities related to soybean processing. At the same time, local officials willing to expand the market economy had a limited industrialising role, given that most large-scale soybean processing plants were rather built during the Maoist regime in the early 1970s. The Maoist legacy allowed state-led bourgeoisie and national private bourgeoisie to expand by adopting an endogenous form of accumulation based on domestic circuits of production and consumption.

Chapter 2 concludes that the transnational bourgeoisie's lobby through bilateral and multilateral institutions pushed forward a compelling liberalisation agenda. I agree with Yan's, Chen's, and Ku's (2016) critique of the pro-liberalisation literature. I argue that instead of a consensual political initiative to modernise China's feed and livestock industry through global soybean supply, import liberalisation corresponded to the interests of the transnational bourgeoisie, particularly that of expanding their global monopoly on trade. The outcome of such a policy change included the downfall of China's endogenous capitalist accumulation and the end of soybean processing from Maoist industrial bases.

Chapter 3 examines the reaction and adaptation of the state-led bourgeoisie and national private bourgeoisie to soybean liberalisation in the late 1990s. This chapter engages with the literature on state capitalism, drawing on the macroeconomic and political reforms that include administrative centralisation, the state sector's market-driven corporate and ownership restructuring, and new industrial policies. I argue that those reforms allowed state-led and national private capitalists to regain momentum by building alliances with central and local state officials. These two class fractions successfully influenced state institutions to restore fiscal barriers on soybean meal and soybean oil imports in 1998-1999, giving centrality to processing industrial activities in the sector. However, with the preservation of an open import market for raw soybeans, the state-led and national private capitalists adhered to global circuits of capital. They built processing infrastructure in coastal provinces, moving away from traditional endogenous capitalist accumulation.

Chapter 3 also explores the implications of these political and economic changes on the sector's inter-capitalist relations. I point out that the consolidation of an import-oriented processing hub allowed the rise of class fractions beyond what the state-capitalism literature emphasises as state-driven industrialisation agenda. I show that the associated bourgeoisie represented by Wilmar International, Kuok Brothers, and Noble Agri utilised their inter-regional food-processing bases in Asia to acquire a sizeable chunk of the Chinese market. As traditional commercial intermediaries, these enterprises benefited from the continuing

liberalisation of the domestic raw soybean market. At the same time, the government's increasing industrial capability during the 1990s allowed them to grow in collaboration with state officials. The associated bourgeoisie's prominence in China allowed for their expansion out of the domestic industry. Wilmar International, Kuok Brothers, and Noble Agri attracted foreign financiers and replicated agribusiness methods of TNCs worldwide, therefore becoming integral members of the transnational capitalist class.

Chapter 4 further explores the limitations of the literature on state capitalism by drawing on continuing inter-capitalist disputes and their political effects during the early 2000s. I question the stability and durability of state capitalism, showing how new forms of accumulation promoted political fractures and brought about a hegemonic alternative to the late 1990s' industrialisation path.

Accordingly, foreign TNCs reacted to the state-led and national private capitalists' economic influence by investing in soybean import-oriented processing infrastructure. They partnered with the state traders COFCO and Chinatex to obtain political support facilitate soybean import operations. This partnership allowed transnationalised state capitalists to consolidate as a representative class fraction from within COFCO and Chinatex. The transnationalised state bourgeoisie's finance-driven accumulation in collaboration with foreign TNCs was opposed to industrialisation based on productive capital, which characterises state capitalism. They constituted a new power bloc amidst a political environment favouring economic liberalisation upon China's accession to the World Trade Organisation (WTO) in 2001. The TNC-transnationalised state power bloc changed institutional settings towards a progressive opening of the domestic futures market and financial deregulation in the sector.

In turn, Chapter 5 analyses the economic implications of the new power bloc. Following Oliveira's (2018; 2017) analyses, I show that the state support for COFCO and Chinatex – often through politically constituted property rights – allowed them to keep stable trade influxes. In contrast, most domestic soybean processors and farmers went bankrupt amidst the mid-2000s' global price spikes. As described previously, COFCO's and Chinatex's subordinated alliance with foreign TNCs for importing soybeans is at odds with the CCP's nationalistic discourse on food security. The two transnational state capitalist enterprises overcame initial losses by developing price speculation mechanisms, benefiting from world price volatility alongside foreign partners.

To critique the literature in line with the CCP's food security governance, Chapter 5 considers Jessop's (1990) society-centred approach to state analyses. I suggest that China's nationalistic discourse corresponds to the tactics of state-led capitalists to regain political

momentum against the TNC-transnationalised state power bloc. The state-led Jiusan and Sinograin instrumentalised the social discontent over the domestic soybean debacle, allying with bankrupted processors and farmers through new semi-official associations. Thereby, the economic gains from transnationalised state capitalists and foreign TNCs did not automatically revert to the consolidation of their political power. Instead, the reaction of the state-led bourgeoisie generated an institutional crisis, with the Ministry of Agriculture and broader state segments promoting domestic ownership and hindering the accumulation strategy of the transnationalised state bourgeoisie.

Chapter 6 further explores the links between Chinese inter-capitalist relations and soybean sourcing strategies overseas. The political prominence of state-led capitalists in the late 2000s allowed related enterprises to obtain state support for “going abroad”. Following the literature on China’s outbound agricultural investments (Myers and Guo 2015; Wilkinson, Wesz Jr., and Lopane 2016; McKay et al. 2017; Sharma 2014; Schneider 2014), I argue that state-led capitalists sought control over foreign soybean supply to promote large-scale agri-food processing infrastructure at home, oriented toward domestic consumption. I address why most investments overseas have failed, whereas the same state-led capitalist enterprises still expanded at home, which apparently contradicts the literature above. To explain this contradiction, I demonstrate how the overflow of imports carried by the associated bourgeoisie discouraged Chinese soybean processors from seeking independent global sourcing. I also show how accessible imported soybeans disrupted domestic farming, bringing financial constraints on the agricultural capacity of the state-led Beidahuang and hindering its investments overseas.

Chapter 7 analyses the political and economic prominence of COFCO after the state-led bourgeoisie’s failure abroad. I critically assess the neomercantilist narratives, which consider China’s agribusiness internationalisation an antidote to neoliberal financialisation aiming primarily to control prices and secure stable import supplies (Belesky and Lawrence 2019; McMichael 2020; Tilzey 2018). By drawing from inter-capitalist disputes during the Xi Jinping administration, I show how COFCO’s transnationalised state bourgeoisie pushed forward a finance-driven accumulation strategy at home and abroad while benefiting from the government’s repression of rival class fractions. I argue that such an accumulation strategy follows what critical geography (David Harvey and Henri Lefebvre) identify as spatial and temporal fixes. Accordingly, increased public spending on soybean processing after the 2008 global financial crisis aggravated the industrial overcapacity and corporate indebtedness in the

sector. With little room for profitable investments at home, surplus capital was put into motion as COFCO transferred assets overseas and integrated them into global finance.

Chapter 7 also argues that the state's support for such a finance-driven global expansion results from political transformations in line with Wang's (2015) notion of a shareholding state. According to Wang, the recent financialisation of economic management in China shifted the state sector's *modus operandi* toward supervising assets according to shareholder interests. From this perspective, I explain how the transnationalised state bourgeoisie gained political favouritism against the other fractions of the bourgeoisie. I also explain how China's strong state intervention is not contradictory to COFCO's finance-driven global expansion, as neomercantilist narratives would suggest. The company's access to the state allows it to obtain monopolistic property rights – as elucidated in Vergara-Camus's (2021; 2018; Vergara-Camus and Kay 2017) analyses on rentier strategies of wealth accumulation – which facilitates mergers and acquisitions and attracts foreign financiers. Therefore, state planning and state ownership allows the transnationalised state bourgeoisie to place itself favourably in global financial markets, instead of creating a public-spirited alternative to them.

To understand how COFCO's global prominence affected power relations in the domestic soybean downstream complex, Chapter 8 sets a debate with scholarship analyses on China's neoliberal transitioning. As the chapter describes, So and Chu (2010), and Weber (2018; 2020) identify a paradoxical economic reordering in which the state promotes neoliberal-looking reforms and, at the same time, applies corrective mechanisms against full-blown liberalisation. I argue that such an economic paradox corresponds to power struggles within the state. I reference Bryan (1987) to explain how inter-capitalist disputes at home become more pronounced as capital expands internationally through new forms of accumulation. Accordingly, as COFCO becomes a prominent global player, it gains further political and economic influence domestically, paving the way for the expansion of speculative finance in capital and derivatives markets.

Nevertheless, I show that amidst intensified inter-capitalist disputes, the state-led bourgeoisie made political pressure to protect domestic agriculture from imported genetically modified (GM) soybeans. In addition, recent commercial and geopolitical tensions between the US and China have intensified the competition for control over the global soybean value chain, with North Atlantic-based TNCs seeing COFCO as a rising threat. As a result, Chapter 8 points out that COFCO's transnationalised state bourgeoisie has conciliated with some of the state-led capitalists' interests. It has incorporated a nationalist discourse over food security, making renewed attempts to preserve and scale-up soybean farming while diversifying imports – which

explains the contradictory character of China's neoliberal transition. Such a conciliatory agenda has propelled new attempts by the government to move the centre of economic gravity towards China as an alternative to the Chicago Board of Trade (CBT) pricing power. Whereas in the mid-2000s, COFCO expanded through a 'subordinated alliance' with foreign TNCs, the transnationalised state company has integrated into global finance autonomously, becoming an active rival among transnational fractions of capital.

Chapter 1: China's State-Capital Relations and a Capitalist Class Typology

1.1. Introduction

China's recent rapid re-integration into global capitalism has triggered endless debates on the nature of its state and its economic system. The various diverging approaches to these themes reveal how little consensus exists within the scholarship around the country's complex and dynamic historical changes. The existing literature brings in original subjects of analysis. Though, as China enters an unprecedented phase of social and economic development, it warrants continuous study and clarification.

When it comes to domestic relations of power, China's rapid shift from a semi-peripheral country in the 1980s to a global power led to open interpretations of the nature of its emerging capitalist classes. The country's industrial structure has traditionally maintained a peripheral position with respect to central economies, placing itself at the lower end of global value chains. However, some industrial segments have recently caught up and are able to compete on a level playing field with Western modern production and services. Therefore, the country's model of development shows patterns of dependency while displaying expansionist characteristics in the global arena, with contradictory political and economic outcomes.

Finally, despite the uninterrupted and undisputed ruling of the Chinese Communist Party (CCP), there is almost a consensus within the existing literature around the observation that the party/state has mutable features since the 1949 revolution, adapting its political strategy to new global dynamics of power. However, there is still a need for conceptual and empirical scrutiny on how those changes reflect new forms of interaction between the state apparatus and capitalist class fractions, as well as the role of the state in global capitalism.

This chapter engages with these debates by drawing from Marxist-inspired analyses of capitalist states and international political economy, as well as a variety of similar studies focusing on recent Chinese capitalist development. It starts with three sections on topics related to the nature of the state in China, the relationship between the state and the capitalist economy, and China's position within transnational capitalism, respectively. Lastly, it proposes a class typology that attempts to distinguish the characteristics of the main capitalist class fractions of the soybean downstream complex. The class typology and the debates developed in this chapter

provide a conceptual background from which the following chapters analyse the historical changes in the sector from the early 1990s until today.

The section 1.2 critiques the dichotomic understanding of China's state and capital relations, widely adopted both by the neo-Weberian perspective of the developmental state (Karagiannis, Cherikh, and Elsner 2021; Knight 2014; Meier 2009) and part of the Marxist perspective (Arrighi 2009; C. Lin 2006; Sigley 2007; Sun 1985; Tse and Lee 2003; Xue 1983) that accepts China's official discourse on socialism with Chinese characteristics. As an alternative, I draw from the literature on state capitalism and other similar approaches (Chen and Rithmire 2020; Huang 2008; Liebman and Milhaupt 2015; L.-W. Lin and Milhaupt 2013; Xing and Shaw 2013; Zhang and Zeng 2020) that depict the Chinese state as a crucial driver of capitalist expansion. For them, the central and local bureaucracy act not only as an outside promotor of economic growth but as an active market competitor, which entails entangled networking relations between them and emerging capitalists. This theoretical framework will help identify the political implications of capitalist accumulation in the downstream soybean complex, providing a clearer understanding of the class nature of state institutions and policies.

Section 1.3 examines theories of the capitalist state developed by Nicos Poulantzas (1976; 1978) and Bob Jessop (1990). These authors consider, in different ways, the capitalist state as a space and political expression of class struggle. From their perspective, the action of capitalist class fractions within the state and the constitution of broad alliances between them shape the forms and functions of institutions. As they become hegemonic, they grant unity to conflictive social relations and impose their objective interests on other classes and class fractions. Following a similar approach, several scholars (Andreas 2008; Au 2012; Lopes Ribeiro 2017; Nogueira and Qi 2018; McNally 2013) explain the emergence of rival fractions of the bourgeoisie through different forms of capitalist accumulation since the beginning of reform and opening-up in 1976.

To further understand China's state-capital relations and power struggle, Section 1.3 also looks at the rent-seeking behaviour of an array of Chinese capitalists inspired on an extension of the Marxist concept of ground rent. This concept relates to how the access to state institutions makes possible the constitution of politically granted monopolies, through which capitalists appropriate wealth and promote surplus accumulation in exchange for exploitation rights over land, natural resources, and other forms of property rights regulated by the state (Vergara-Camus and Kay 2017). This literature helps us understand the state's central role in class struggle and how different fractions of the bourgeoisie amplify their objective class interest through politically constituted property rights.

The literature on the state in China helps us understand the convergences and divergences between different capitalist class fractions in the soybean downstream complex. It sets the theoretical base for analysing the sector's changing power relations through the formation of new power blocs and subsequent institutional rearrangements. However, I point out that an important proportion of the analyse adopts a binary division between social-statist capitalists supported by most segments of the state and private capitalists in tandem with Western liberalism. They could gain insights by further investigating the nature of capitalist class fractions and the way they influence the state.

As an alternative, section 1.4 draws from some insights of the perspective that argues for the need to think of capitalism as a process of uneven and combined development. By examining the way states and capitalist classes place themselves globally, this perspective allows us to analyse how Chinese capitalism, as a late-industrialising society, develops in leaps. It combines different stages of development as it internalises the contradictions of the world economy through diverging interactions with foreign capital. However, whereas the literature on Chinese uneven and combined development focuses on the structural determinations of capitalism, I highlight the agency of capitalist class fractions. As the following chapters will show, China's integration into the global soybean value chain is marked by different accumulation strategies adopted by its various market and state players. They are determined and in turn determine political structures and policies.

For this purpose, I articulate the literature around transnationalisation of capital (Hardt and Negri 2001; Harris 2009; 2005; Panitch and Gindin 2004; Robinson 2004; Tabb 2009; Wood 2005) to state analyses. Indeed, as capitalism entails global dimensions of power constantly moving beyond their territorial origins, it is open to political action at home and abroad. According to part of the literature (Harris 2009; 2005; Panitch and Gindin 2004; Tabb 2009; Wood 2005), transnationalisation of capital does not bypass existing class struggles at the national level. On the contrary, given that nation-states remain the main regulator of contradictory social forces and property relations, the inter-state system constitutes an integral part of globalisation. Following this train of thought, section 1.4 engages with Jerry Harris' concept of transnational state capitalism, which indicates the consolidation of China and other emerging economies as statist competitors within global circuits of capital, particularly since 2008.

Different from Harris' understanding, though, I argue that during the current phase of neoliberal globalisation, statist versions of transnationalised capital distinguish themselves from state capitalism and other dominant modalities by expanding through notably rentier

forms of accumulation related to capital dispossession and financialisation. As the following chapters will show, Chinese “statist globalisers” in the soybean downstream complex galvanise state support to compete with Western-based transnational capital over prominence in the context of liberalised finance and trade markets. This perspective helps indicate the strategic and multifaceted character of capital accumulation that strongly depends on the strategies and outcomes of political struggles. It shows that, instead of structural determinism based on divisions between nation-centric capital and transnational capital, disputes between different capitalist class fractions both at the national and transnational levels permeate different moments of China’s integration into global capitalism. However, at the same time, the strategy of different class fractions relies on (or is hindered by) the support of the state for expanding their capitalist bases of accumulation.

Following the discussion above, in the last section, I set up a typology to describe the bases of accumulation of each capitalist class fraction, their expansion strategy, and their relationship with the state in China’s soybean downstream complex. The typology draws on the historical trajectories of the entrepreneurs and enterprises that constitute these class fractions. This typology includes 1) an Associated Bourgeoisie, 2) a State-led Bourgeoisie, 3) a National Private Bourgeoisie, 4) a Transnational Bourgeoisie, and 5) a Transnationalised State Bourgeoisie.

1.2. Challenging China’s State-capital Dichotomy

When analysing China’s state-capital relations, a considerable part of literature, including that in line with CCP’s official ideology adopts a rather dichotomic structural understanding of this relationship. They consider the Communist leadership as a distinct social group hindering the ability of a capitalist class to reach power and establish liberal institutions and dispositions. Following this perspective, the state instrumentalises the market for its own political and economic agenda. For instance, according to the emblematic neo-Weberian concept of developmental state, widely applied to East Asian historical economic analyses, the state is qualified as an autonomous political entity with an authoritarian and cohesive appearance (Johnson 1999, 48), which Evans (1995) calls embedded autonomy (cited in Wade 2018, 526). This social formation entails four main aspects: 1) the promotion of a developmental agenda by a political elite with enough power, authority, and legitimacy nationwide. This agenda is based on economic growth and transformation (mainly,

technological upgrade) but can also embrace the rise of living standards, often motivated by nationalist ideology; 2) a monocratic political elite, prompting the state the power – authority and technical and managerial capacity – to stand above particular vested interests, on the name of the national interest; 3) eventually repressive political regimes against weak civil societies with poor civil and political rights; 4) the capacity to deliver rapid economic growth, which may be combined with effective social redistribution (Howell 2006, 275).

From the Marxist perspective, Giovanni Arrighi's book *Adam Smith in Beijing* (2009) is an illustrative example of the dichotomic structural understanding, having some similarities with and endorsing what the CCP calls "socialism with Chinese characteristics". For Arrighi, Chinese capitalists are guided by a "restless competition" similar to the Smithian idea of liberal capitalism. This dispersed and weak nature of this class has allowed Beijing to instrumentalise it to achieve economic growth, consequently contributing to the CCP's hold on the state power. Therefore, given its dominant political position and its supposed proletarian credential, the CCP has preserved contradictory or even antagonistic interests with emerging capitalist classes. As Arrighi (2009, 332) states, "add as many capitalists as you like to a market economy, but unless the state has been subordinated to their class interests, the market economy remains non-capitalist".

I argue that the pro-CCP Marxist and neo-Weberian perspectives fail to capture China's socio-economic transformations and their impacts on state-capital relations since the 1990s. For instance, with the privatisation of small and medium SOEs and Township and Village Enterprises, along with the state sector's corporate restructuring, economic growth has been centred on monopolistic capital. As such, the dispersed and weak market structure referred to by Arrighi no longer exists (Andreas 2008). Following the state capitalism paradigm (Huang 2008; Liebman and Milhaupt 2015; L.-W. Lin and Milhaupt 2013; Xing and Shaw 2013), the state has incubated and fostered industrial modernisation under capitalist imperatives while repressing forms of accumulation outside the party/state's control. Consequently, capitalist class interests have been reproduced within the state, transforming institutions, and pushing forward policies geared toward capital accumulation (Chapter 3). State entities, thus, not only facilitate economic development but also actively participate in the market competition, contradicting the idea of a detachment from (or an antagonism to) capitalism (Weber 2018, 24).

Still, this new perspective on China's changing state-capital relations does not imply the loss of centrality of the party/state. As Chen's and Rithmire's (2020) concept of *investor state* indicates, with the penetration of central and local financial institutions in the economy and society, Chinese state power has gone beyond ownership control and credit provision to

private firms. It has created an entangled relationship with the capitalist economy by providing funding, assuring bailouts to private managers, and establishing private-owned capital investment and operation firms to manage state enterprises, among other investment operations. The state centrality also implies a more robust capacity to promote different strategies for economic growth, particularly considering China's increasing state budget given that financial and quasi-financial tax revenues almost tripled from approximately 12 per cent to around 35 and 36 per cent of GDP between 1996 and 2017-2018 (Naughton 2019, 40). As Naughton (2019) points out, amidst recent economic growth and increased tax collections, the government has enjoyed more flexibility in allocating financial resources with a budget revenue similar to developed countries, though with less social spending.

Regarding state-class relations in the rural economy, this type of state-centred capitalist expansion corresponds to what Zhang and Zeng (2020) call politically directed accumulation. For them, local governments act as a modelling force imposed on agrarian capitalist classes through food security policies and various types of state interventions. They also argue that state institutions incorporate profit-driven practices of improving performance records and maximising fiscal resources, enabling capitalist expansion as they attract non-agrarian enterprises' investments and facilitate their operations with public resources. In the soybean downstream complex, I argue that this form of accumulation has been carried out by capitalist class fractions with direct links with the state, such as the state-led bourgeoisie and the national private bourgeoisie. Enterprises like Jiusan, Dalian Hualiang, Dalian Huanong, and Hopefull have vertically integrated into agriculture, soybean crushing, and other industrial segments with the support of the state. As they expand through capitalist imperatives of growth, they displace small-household farming through processes of commoditisation of land and labour (Chapter 2 and 3).

The state's role as a capitalist driving force in agriculture has garnered consensus among many critical agrarian scholars (Bernstein 2015; Day and Schneider 2018; Yan and Chen 2015; Ye et al. 2017; Zhan 2015; Zhang, Oya, and Ye 2015; Zhang and Donaldson 2008). For instance, Zhang et al. (2015) argue that the state-led agricultural modernisation has brought the intensification of commodity relations into all aspects of agricultural production. They draw attention to unprecedented infusions of capital and technology been put into agriculture particularly after the mid-2000s, when China's central government included agricultural

related issues and rural affairs year after year in its Number 1 Document.²¹ The increasing compulsion by state-oriented capitalist forces for industrialisation and scaling-up agricultural production, alongside rising food safety concerns, marked an end to China's rural-urban divide, turning this sector into a new venue for capital accumulation under state support (see also Day and Schneider 2018).

The state capitalism paradigm and similar approaches provide a theoretical framework in which this thesis analyses the state-capital relations in the soybean downstream complex. By singling out the capitalist class character of the Chinese state through the related literature, I take capital accumulation as a structural element of state power. In this way, central and local officials are not indifferent to (or incorruptible from) the class interests of emerging capitalists in the sector.

1.3. State-capital Relations Revised

Despite challenging the state-capital dichotomy, the state capitalism paradigm and similar approaches often neglect the role of capitalist classes in permeating the state apparatus and transforming China's institutional arrangement. Most authors depict the state-capital relations exclusively from the state's perspective and rarely delve into the specificities of individual capitalists and their political nexuses. Without this analytical perception, the related literature falls short of identifying the historical and contingent logics of power relations in China, despite perceiving state capitalism as part of the 1990s' historical transformations.

To have a more comprehensive depiction of the Chinese political economy and address the literature's limitations, this thesis uses Nicos Poulantzas's analyse on the capitalist state, as well as Bob Jessop's more recent contribution to the same theme. Poulantzas (1976; 1978) underlines the relative autonomy of the economic and political power, identifying the state attributes in maintaining and organising relations of production without intervening directly in them. For him, the state amplifies the power of a particular class or class fraction by providing unity to conflictive social relations, revealing itself as a space and political expression of class struggle. In line with Antonio Gramsci's concept of hegemony, Poulantzas recognises that the state's monopoly of legitimate means of violence is not the only way of maintaining and

²¹ The Number 1 Document (zhongyang yihao wenjian 重要一号文件) is yearly issued by the Central Committee of the Chinese Communist Party and the State Council, setting priorities and guidelines to the central government's agenda.

reproducing relations of production in capitalist societies. It also requires securing the consent of segments of the working class through political action within the state. At the same time, given the heterogeneity of capitalist formations, dominant fractions of the bourgeoisie meet the material interests of rival capitalists through coalitions called “power bloc”, therefore displaying their interests as universal and exercising class power.

In turn, Bob Jessop (1990) articulates Poulantzas’ state analysis to Foucault’s work on governmentality. He argues that the state encompasses a heterogeneous and relatively autonomous set of institutions, in which competition between each other runs in tandem with struggles for class hegemony. Jessop develops a society-centred approach, taking the capitalist state as an expression of power within the broader society. For him, capitalism enables the forms and functions of political institutions but does not automatically determine them. Instead, the state emanates contradictory class interests and is prone to class rivalry and alliance formations. Therefore, he denies a mechanistic understanding of state-capital relations and emphasises the strategic role of class and class fraction strategies in shaping the nature of the state. As he says, “the power of the state is the power of the forces acting in and through the state” (Jessop 1990, 269).

Part of the critical literature on China’s political economy (Andreas 2008; Au 2012; Lopes Ribeiro 2017; Nogueira and Qi 2018; McNally 2013) follows a similar approach when examining China’s recent historical transformations. They suggest in different ways that the emergence of new capitalist classes throughout the reform and opening-up period relates to multiple processes of capital accumulation guided and facilitated by the state. These capitalist classes have directly or indirectly permeated the state apparatus through various (and sometimes divergent) state-capital relations, increasing political pressure to push forward capital accumulation. Unlike the state-capitalism paradigm, their analyses lead to an understanding of mutable capitalist class arrangements based on specific historical social relations.

This theoretical approach finds support in the soybean downstream complex’s vigorous and multifaceted state-capital relations. It helps us understand the rivalries and alliances between different capitalist class fractions and the corresponding changing power relations in the sector. As the following chapters will describe, power blocs established between competing capitalists will reshape state institutions and push forward policies according to dominant capitalist class interests and render evident the dynamic character of the Chinese state.

In addition to Poulantzas’ and Jessop’s state analyses, I use Vergara-Camus’s reconceptualization of Marx’s understanding of ground rent developed in Volume 3 of *Capital*

to identify the implication of heterogeneous forms of accumulation and rent extraction to state analyses. Leandro Vergara-Camus (2021; 2018; Vergara-Camus and Kay 2017) use the concept of ground rent to analyse how access to the state in Latin America is necessary for capital accumulation in agriculture and possibly other economic segments. He builds on the concept of absolute ground rent and stress the state's role as guarantor of property relations and owners of land and natural resources. In this way, the state grants monopolistic rights to certain capitalist actors, enabling them to adopt rentier strategies of accumulation. Politically constituted property relations allow the formation and consolidation of economic monopolies that appropriate wealth from capitalist actors in exchange for exploitation rights. In addition to agriculture and extractivist industry, politically granted monopolies also allow rent strategies of accumulation in circumstances where the state sets selling prices and drives industrial growth through credits and subsidies (Vergara-Camus and Kay 2017, 247). In any case, as Vergara-Camus, (2021, 476) points out, "the state (or specific institutions of the state) can thus be an instrument of class power".

In line with Vergara-Camus' approach to ground rent, this thesis demonstrates that rent extraction also influences power relations in the Chinese downstream complex. Different capitalist class fractions often display rent-seeking behaviours as they benefit from the access to resources and ownership relations regulated or under the control of the state. Therefore, getting hold of official positions and influencing policies is crucial to appropriating wealth for rent extraction – combined with other accumulation strategies.

For instance, as indicated in Chapter 3, the national private bourgeoisie emerged from exclusive property rights controlled by the state during the 1990s privatisation wave. As former managers and state officials, members of this class fraction obtained favourable negotiating conditions for acquiring and developing privatised state assets. Chapter 3 also shows that the state-led Beidahuang, and the national private Hopefull prospered since the late 1990s with land transfers under state support. Beidahuang converted land properties for urban projects, extracting rent from real estate developers, whereas Hopefull benefited from land transfers to secure bank mortgages. Another example of rentier strategies of accumulation can be found on Chapter 5: in the mid-2000s, the transnationalised state COFCO and Chinatex used their semi-monopolistic position on trade to establish a strategic alliance with agribusiness TNCs, including advantageous soybean import agreements. The two Chinese state traders obtained privileged pricing information from foreign counterparts and domestic soybean processors that relied on them for accessing soybean supply from abroad. Therefore, their politically achieved

monopoly allowed them to manipulate and profit over price fluctuations at the expense of rival capitalists.

It is worth noticing that ground rent does not necessarily imply pre-capitalist social relations. Accordingly, rent extraction through politically constituted properties re-enforces capital accumulation within the private and public sector instead of being geared at the self-enrichment of a parasite strata within the state. The appropriation of wealth through state monopolies allows fractions of the bourgeoisie to extract surplus value through market forces. It reveals the political relations through which a specific fraction of capital imposes its interests and expands its bases of capital and wealth accumulation over the others by accessing the state.

The rent-seeking behaviour of Chinese capitalism is expressed in different ways in the existing literature. For instance, Wank's (2001) early analysis on market clientelism indicates associated networks between private entrepreneurs and state agents at administrative, production, and distributive levels. For him, this relationship opens a process of commodification of state institutions which access becomes central for enterprises to maximise profits and security by negotiating and setting favourable market terms and conditions. In turn, Zhao's (2015) analysis on the Chinese state draws on an ensemble of capitalists who determine policies through networks of personal connections with bureaucrats. Therefore, the Chinese state goes beyond mutual consent between private players and the government. Certain actors within the state become themselves an interest group, taking advantage of their political status, resource properties, and access to information to maximise their economic benefits, just like private capitalists. Wu (2005) has a similar understanding. He draws attention to the centrality of state institutions in China's accumulation strategies, considering their ability "to employ their monopolized political power for direct economic gains" (Wu 2005). Hence, the state is taken as a tool for appropriating wealth through monopolistic property relations, enabling certain groups of capitalists to grow over others.

However, despite providing a rich analysis on the state by indicating networking relations between capitalists and bureaucrats, the literature described in this session falls short of developing a more complex contextualisation of China in the global economy. It depicts a dualistic class division, providing a limited understanding of the connections between domestic capitalist formations and foreign capital. Such a division consists of Chinese-centred capitalists based on productive capital and backed by significant segments of the state/party, and private capitalists aligned with American-based financial capital (Nogueira and Qi 2018, 18–19; McNally 2013, 40–41). This limitation of the literature can be explained by its simplistic interpretation of the Chinese state as a social-statist modality of capitalism, just as depicted by

the state capitalism paradigm. The Chinese role as an alternative to Western liberalism is widely accepted by most authors, which ultimately reproduce Washington's narrative of a foreign threat to its economic and political hegemony (Lan and Zhang 2021, 5).

In order to understand the connections between domestic capitalist formations and foreign capital in the soybean downstream complex, we must adopt a more complex and dynamic approach that encompasses a greater variety of actors and possible alignments. Considering China's strong state presence in the economy as an automatic result of an anti-liberal tilt limits our capacity to identify the emergence and consolidation of diverging fractions of capital throughout the recent period of China's global integration. As Alami's and Dixon's (2020, 73) suggest, "state capitalism, as it is currently deployed in much of the literature, does not bring 'recognizability', even less 'clarity', to the seemingly more visible role of the state across the world capitalist economy" (Alami and Dixon 2020, 73).

To better analyse China's capitalist class structure and its political implications, we must take an international political economy perspective, which Poulantzas' and Jessop's approach lack. We must perceive national economies as components of the global division of labour instead of individual units indifferent to interstate competition (see Barker 1991). Thereby, as this thesis will show, China's state-capital relations in the soybean downstream complex correspond to a particular integration into global value chains, resulting in a more complex and diversified capitalist class formation.

1.4. China's transnationalisation of capital

The recent scholarship on China's integration into world capitalism has used more and more the concept of *uneven and combined development*. This concept originally developed by Trotsky highlights how late-industrialising capitalist societies develop in leaps by introducing forms of production and social relations similar to "advanced economies" while preserving "backward" social formations. As such, peripheral and semi-peripheral countries have historically combined different stages of development through contradictory interactions with the global capitalist system, producing hybrid and unique modalities of capitalism. This idea was initially articulated by Leon Trotsky, considering the Russian germinal integration into global industrial and financial circuits of capital. It takes capitalist development as an expanding totality of which national economies are a constitutive part (Trotsky 1930).

Rolf (2021) and Peck (2021) argue that this concept is a fundamental condition of internationalisation of the capitalist mode of production. It is a characteristic applied to different regions and periods of capitalist development, including China's reform and opening-up period. Rolf (2021) contends that China's industrial catch-up incurred profound class ramifications, contrasting with earlier experiences from East Asian neighbours who carried a relatively homogenous developmental agenda in the post-war period. Instead, China underwent geopolitical mediations with the new global neoliberal order, resulting in an association between foreign investors and local governments and the unique integration of small and medium-sized businesses into international markets.

In turn, Peck (2021) stresses China's social and economic heterogeneity at localities that have combined free-market zones and socialist market economy. This is the case, he argues, of the 'Greater Bay Area', which integrates the globalised cities of Hong Kong and Macao and the technological hubs of Guangdong province, creating hybrid forms of capitalist restructuring. From this perspective, both scholars disagree with the binary global division between liberal and 'social-statist' economies commonly adopted in the literature. They emphasise China's organic interaction with the world economy and the reproduction of international capitalist contradictions within domestic power structures:

As an unevenly developed, continental-scale economy combining a decentralized mode of entrepreneurial governance with(in) the labyrinthine circuitry of the party-state, China is anything but a monolithic institutional 'system', its multipolar and cross-scalar ordering of state-market relations defying the VoC paradigm's fish-or-foul choice between market-oriented LMEs [Liberal Market Economies] and more statist CMEs [Coordinated Market Economies]. (Peck 2021, 7)

Nevertheless, the way the existing literature applies the idea of uneven and combined development tends to focus on the changing social structures related to the world economy without (or only partially) considering the agency of domestic capitalist class fractions in constraining and enabling the different modalities of capitalism. Despite tentatively recognising the influence of China's class dynamics in internalising the contradictions of the global economy, none of the authors delves into such influence in detail. Instead, they limit their analysis to the structural aspects of the Chinese capitalist system.

To address their limitations, this thesis agrees with Lin Chun (2012, 438) that China's positioning in world history "cannot be about discovering an unchanging state entity's fixed place in a predetermined historical and international order". Instead, the political struggle is what defines the country's different forms of interaction with global capitalism. Moreover, this

thesis engages with discussions on transnationalisation of capital. It considers capitalism as a never-ending expanding system open to agency (individuals and institutions), which includes global dimensions of power constantly moving beyond their territorial origins (Tabb 2009).

As China's integration into the world capitalist economy has accompanied what is known as globalisation, the analytical perspective of uneven and combined development must encompass the activism of transnational fractions of capital that has become prominent throughout this process. As the following chapters show, Chinese capitalism internalises and exacerbates the contradictions of the world economy as transnational fractions of the bourgeoisie expand at home and abroad, leading to contradictory political and economic outcomes. This can only be examined, though, through an actor-centred approach, taking into account the convergence and divergence of rival capitalist interests throughout China's global integration.

The recent transnationalisation of capital has comprised broad structural changes in the world economy, such as the rise of the United States as a sole hegemonic power, the advance of finance capital at a global level, followed by the end of the cold war and the establishment of neoliberalism as the dominant ideological expression. There are different interpretations within the literature of the political and economic impacts of this phenomenon. On the one hand, Hardt and Negri (2001) and Robinson (2004) indicate an absolute transcendence of transnational capitalist power over national sovereignty in the form of a new deterritorialised political order, understood as a global state. On the other hand, Panitch and Gindin (2009) and Wood (2005) argue that instead of subjecting nation-states to transnational capital, globalisation represents the ultimate political prominence of the US and its capitalist interests over national capital fractioning across the globe.²²

Despite taking the North American state as an indisputable global hegemon, both Panitch and Gindin (2004) and Wood (2005) reaffirm the interstate system as the structuring basis of international power relations. For them, nation-states have retained distinct capitalist formations considering capital historically conceived within national borders and the influence

²² Wood argues that the American primacy in the post-war period was established under the protection of its military complex and its ability to subjugate other states in its favour. Panitch and Gindin, in turn, emphasise the American strategy of reintegrating former European and Japanese powers into circuits of production and capital accumulation. The American material and ideological penetration domesticated and avoided potential imperialist ambitions in these countries (Panitch and Gindin 2004, 17). Thus, these authors agree that American imperialism is based more than ever on the American state and its ability to influence other states and expand and consolidate itself as a major power.

of transnational capital through US imperialism. By highlighting the decisive role of the state in international political economy, though, Callinicos (2009) – and to a certain extent Harvey (2005) – reach a different conclusion: the continuing rivalries between existing imperialist states. They agree that even though profit maximisation is coordinated internationally, and the home country is placed more and more as one of many markets, the role of state power over multiple domestic socio-economic aspects and national territorial integrity is still decisive. Therefore, the prominence of transnationalised capital through global financial markets and inter-penetrated cross-border investments goes hand in hand with the fundamental imperative of capitalist states to manipulate accumulation and capital flows for ‘national’ benefits, contributing to continuing inter-imperialist disputes.

Their perspective allows us to place China within transnational capital circuits not only in a dependent position but also through contradictory social formations, including expansionist capitalist class interests. In this regard, Jerry Harris (2009; 2005) depicts China’s economic rise as part of increasing rivalry within global capitalism, from which a statist form of globalisation has emerged, named transnational state capitalism (TSC). As he describes, during the 2008 world financial crisis, while Western powers entered a long-lasting recession, China projected its economy overseas using its ever-higher foreign reserves to launch massive direct outbound investments. The influx of capital towards Asian markets alongside trade surpluses and the rise of oil prices in the late 2010s allowed China, alongside Russia and the Gulf States, to make full use of government-controlled assets and wealth and project their economies globally. They encouraged the international expansion of domestic enterprises, remodelling their capitalist development within global circuits of power at home and abroad. Therefore, they brought about new divisions within global capitalism, in which transnationalised capital in these countries placed themselves as social-statist competitors to Western neoliberalism. As Harris states, “the emergence of transnational state capitalism marks a new stage in the development of globalization, one unforeseen by Western globalizing elites” (Harris 2009, 6).

However, despite bringing to light China’s prominent role in globalisation, Harris’ assumption appears rather as a rebranding of state capitalism, or an unintended elicitation of its global dimensions. Harris’ emphasis on China’s integration into global circuits of capital is not dissimilar to the argument of the state capitalism paradigm. For instance, according to Huang’s (2008; 2005) analysis on state capitalism in China, foreign investments and Sino-foreign partnerships since the 1990s have played a crucial role in sustaining the existing regime. These factors have contributed to placing internationalised SOEs in an advantageous economic

position and halting the expansion of capitalists beyond state/party control. From this perspective, state capitalism, just like Harris' transnational state capitalism, relies on (and reveals to be essential to) globalisation. As Alami and Dixon (2020) point out, state capitalism is vital to transnational capital as it holds foreign investments, produces worldwide Mergers and Acquisitions, facilitates cross-listing of shares, and participates in global business networks, among other activities.

The similarities between both concepts (state capitalism and Harris' understanding of transnational state capitalism) become even more evident if we consider China's political and economic placement in world capitalism depicted by Harris. For instance, even though he emphasises TSC's more substantial presence in global capital markets, he repeats the mantra of China as an undermining force against neoliberalism. Likewise, scholarship around state capitalism recognises the integral role of foreign investments in Chinese economic growth while assuming that China has historically opposed the world's traditional economic core (Milhaupt and Zheng 2015b). As widely related by the literature, to secure the party/state's economic control, Chinese integration into global capitalism goes through productive capital investments, ruling over financial deregulation:

China's political economy has hitherto been mainly production-oriented in nature. This nature, by promoting productive investment both domestically and in the broader world, has served as a countervailing force against the speculation-oriented nature of the world market (Dic 2020, 17).

Alternatively, I present a new explanation of statist forms of globalisation and their peculiarities in contrast with state capitalism. I challenge what most authors call national/transnational axis when addressing the supposed prominence of globalised capital (see Robinson 2004). For Harris, the primary distinction of transnational capitalism is its unprecedented geographic spread. This abandons a nation-centric understanding of capitalism to emphasise global spheres of capital production and circulation. As he describes in a co-authored article with William Robinson:

the interests of one group [nation-centric capitalism] lies in national accumulation, including the whole set of traditional nation regulatory and protectionist mechanisms, and other [transnational capitalism] in an expanding global economy based on worldwide market liberalisation. (Robinson and Harris 2000, 23)

Whereas such a distinction may apply to circumstantial aspects of class struggle internationally, I argue that the core logic of transnationalisation of capital is not related to where it is based but to how it expands. According to William Tabb (2009), taking nation-

centric class structures as an automatic response to globalisation falls into a structural determinism, just like taking globalisation as overcoming the decisive role of nation-states. Instead, we must consider how countries internalise transnational capital through class politics related to each social formation. Rivalries among capitalist class fractions (and among nation-states) are inherent to the global interpenetration of capital given that “capitalism as a world system has always had individuals and institutions with global perspectives and interconnections” (Tabb 2009, 36).

Therefore, when analysing the integration of China’s soybean downstream complex into the world economy, its tendency towards transnationalisation comes hand in hand with class agency. As the following chapters will demonstrate, transnational fractions of capital expand in the sector through context-specific political strategies. At the same time, they provoke the reaction and adaptation of other capitalist class fractions, which outcomes produce uneven and combined development. Thus, the heterogeneity of capitalist structures in China is due to the action of individual capitalists trying to defend and impose their class interests as they internalise the contradictions of global capital.

However, contrary to Tabb, I argue that the statist version of transnational capitalism must be analysed in light of the actual context in which globalisation has become prominent. Accordingly, even though capitalist relations have constantly evolved through global systems, transnationalised fractions of capital have only consolidated themselves under the profound transformations of the world economy since the 1970s. As it is widely recognised by numerous scholars, including Tabb himself, dominant forms of capital have expanded through new forms of capital accumulation. Although globalisation has integrated national productive systems far greater than the trusts and cartels described by Hilferding and Lenin, it was accomplished mainly by mechanisms of dispossession and submitting productive capital to financial speculative interests (Sinapi and Gagne 2016).

Accordingly, as Harvey points out, globalisation results from vigorous attempts to displace and defer potential overaccumulation crises by central capitalist economies through spatial and temporal fixes. Thereby, globalisation has provided the necessary social conditions and physical infrastructures for production and consumption to proceed whenever surplus capital cannot be entirely absorbed within a specific limit of time and space (Harvey 2011, 246). With gains in productivity and shrinking purchasing power of the working class, the ever-increasing surplus capital has been allocated to find room for profitable realisation through new forms of accumulation worldwide (see Chapter 7). In this context, transnationalised capital constituted an effective capitalist class with widespread privatisation, speculative and

predatory credit financing, productive asset destruction and stripping through price inflation and concentration of wealth, and dispossession of social rights, among many other processes of accumulation by dispossession.

As part and parcel of this process, statist fractions of transnational capital differ from state capitalism due to diverging forms of accumulation instead of geographical dispersal. Notably, they still find in territorial hegemony a venue for institutional protection and rely on class coalitions and power struggles within the state. Their spatial volatility does not undermine the state's role as the primary regulator of contradictory social forces and property relations. On the contrary, as the following chapters will demonstrate, the relevance of the state allows transnational capital in the Chinese context to galvanise political and financial support, placing itself in an advantageous position globally. Thus, the strategic role of the state enables new forms of accumulation, making the transnationalisation of capital a prominent phenomenon.

In the existing literature, these forms of accumulation and their political implications find support in Collier's (2018) and Tsai's (2015) work on the growth of privatised financial systems in China. According to them, the rapid expansion of bank lending as a response to the 2008 world economic crisis brought the rise of informal finance and reoriented public investments towards unregulated and highly risky operations. This economic shift represents a new aspect of Chinese capitalism, which they consider the backbone of potential full-blown market liberalisation. Other authors (Ho and Marois 2019; Y. Wang 2015) examine the financialisation of economic management in China's state sector. They affirm the continuing importance of state-ownership in the economy while underlining a changing inclination towards shareholder values, which according to Wang's (2015) concept of 'shareholding state', has brought financial entrepreneurship and market competition into China's bureaucratic and political processes (Chapter 7).

As the central question turns to how capitalism expands instead of where it is located, we should not rule out rivalries between fractions of transnational capital based on different countries and the maintenance of national political agendas beyond transnational capitalist accumulation strategies. From this perspective, state capitalism and statist versions of transnational capitalism, among other dominant modalities, should be considered expressions of strategies for capital accumulation under specific historical contexts. From this perspective, we can avoid a structuralist determinism of transnational capital contrasting with existing class struggles and, at the same time, indicate the strategic and multifaceted character of state-capital relations based upon the political action and power struggle. Taking this into consideration, the

following section presents a typology of the main capitalist class fractions in China's soybean downstream complex.

1.5. A Typology of the Capitalist Class of the Soybean Complex

1.5.1. Associated bourgeoisie

Since the 1970s, the transfer of productive assets outside core capitalist economies led to the emergence of capitalist classes located between the national (patriotic) bourgeoisie and the national comprador bourgeoisie. Poulantzas and neo-Poulantzian scholars explore these new class formations when analysing capitalist structures in Europe and semi-peripheral countries. They name one of its class expressions Internal Bourgeoisie. Similar characteristics can be applied to a specific capitalist formation in China. However, the peculiarity of China's capitalist development has added new attributes to it. Considering its historical association with the state, we call this type of capitalist formation the associated bourgeoisie.

The associated bourgeoisie comes from strata originally related to comprador capitalists. These are the domestic allies of foreign commercial establishments in Guangdong (in English, Canton) and the Portuguese colony Aomen (in English, Macau) (Heartfield 2005), and the Overseas Chinese Diaspora (Heartfield 2005; Hui 1996; G. Wang 1991). The former role has generated the term *comprador* – a Portuguese word for buyer – and dates back to the expansion of Western trading power in Asia at the end of the nineteenth century. These domestic capitalist allies have assisted Western merchants in negotiations with Chinese monopolies licensed by the imperial authorities, the Cohong (Heartfield 2005, 199). Their role was mainly to mediate between the interests of both sides. The Overseas Chinese Diaspora, in turn, is constituted by Chinese business organisations operating in foreign concessions in East Asian countries. These organisations were composed of Chinese merchants that bypassed the dynastical restrictions on trade. They established settlements and integrated intermediaries and commercial networks abroad, mainly related to agricultural and primary commodities (Hui 1996, 6-35; Wang 2003, 6-85).

Both the domestic allies of foreign merchants and the Overseas Chinese Diaspora became part of the structures of globalising imperialism throughout the expansion of North

Atlantic (and afterwards, Japanese) powers in Asia.²³ They became an integral component of Chinese society since the beginning of the twentieth century and were ceased only by the Maoist revolution in 1949.²⁴ However, as Chossudovsky (1986) and Heartfield (2005) point out, the reestablishment of trading activities with capitalist countries in the late 1970s, followed by the influx of foreign capital to China, contributed to the reincorporation of these strata into the Chinese class structure.

The Overseas Chinese established direct comprador links from cross-border trade in China and, in some cases, brokered contracts with Western capitalist traders. In the soybean downstream complex, this group of compradors was originally represented by the Kuok (郭 in Chinese) family's companies, Wilmar International, and the Kuok Brothers. The formerly domestic allies of foreign merchants, in turn, are equivalent to a new version of commercial intermediaries in Special Economic Zones and Hong Kong. Some foreign middlemen who settled in those places played a similar role by building a "trustful" relationship with Chinese state trading agencies during the reform period. Therefore, we consider them as part of this same social stratum. In the soybean downstream complex, the representative of these commercial intermediaries are Noble Agri (from Noble Group), a Hong Kong-based corporation owned by the British entrepreneur Richard Elman.

Notwithstanding, the two social strata cited above have introduced forms of accumulation that combines the old comprador links with economic strategies related historically to the national (patriotic) bourgeoisie. While the comprador links were located exclusively on the sphere of circulation, these strata have developed national-based productive structures – just like the national bourgeoisie. At the same time, while the compradors were an extension of the imperial capitalist interests (Dore and Weeks 1977; Haber 1997, 12), these strata have, in particular circumstances, competed with capitalists from advanced economies.

²³ With the establishment of extraterritorial colonial jurisdiction in coastal Chinese provinces by imperialist countries, the comprador bourgeoisie became the local economic and political agents of foreign monopolies and grew at the margins of the China-centred trade system (Heartfield 2005; G. Wang 1991).

²⁴ They integrated into various economic segments, such as salesmen, treasurers, freight brokers, interpreters, intelligence providers, and trade dealers of domestic products for exports (Kwan 1991, 164). Moreover, members of these strata associated with the right-wing faction of the Chinese nationalists (the Kuomintang Party, or in Mandarin Guo Mindang) and gained the support of its leader Chiang Kai-shek (in Mandarin, Jiang Jieshi) (Heartfield, 2005: 202; Ong and Nonini, 2003). However, from the 1950s to the 1980s, all comprador capitalist strata were dissipated as a property-owning class through expropriation, state control over international trade, and the U.S. embargo after the Korean War (1951-53) (Arrighi, 2009: 349).

These new features are in line with recent structural changes in the global economy. Accordingly, since the 1970s, with productive internationalization, capital export has replaced international trade as the world economic driving force (Hirst, Thompson, and Bromley 2009, 112–39). Consequently, new forms of direct imperialist expansion succeeded comprador relations in peripheral and semi-peripheral countries. In this new phase, advanced capitalist economies have transferred aspects of their industrial and service activities to regions with lower labour costs, easier access to raw materials and expanding markets – a tendency named by some authors as offshorisation (Blinder 2013; cited by Hirst, Thompson, and Bromley 2009, 137). Thereby, comprador capitalists began to extract surplus capital beyond the sphere of circulation. They brokered foreign direct investments and became managers of foreign industrial assets in their host countries (dos Santos 2011, 102–8).

However, whereas this new class formation was still entirely dependent on foreign capital in peripheral countries, Poulantzas (1976) suggests that in “secondary” imperialist European countries, a similar capitalist class fraction displayed nationalistic interests. This class fraction, called internal bourgeoisie, occupied an intermediary position between the national bourgeoisie and the comprador bourgeoisie as North American capital reproduced in Europe after World War II. Although connected to the global hegemonic imperialist power, this class had a contradictory character of dependency and autonomy. While existing alongside the comprador bourgeoisie, it had industrial aspirations domestically that could even collide with the US interests (Poulantzas 1976, 72).²⁵

In China’s case, offshorisation has propelled the integration of the old comprador strata into industrial capital and other complementary forms of production. The companies represented by this class fraction in the soybean downstream complex have combined comprador relations in the soybean trading circuit with soybean processing, soybean oil refining, and transport logistics. Notwithstanding, this class fraction’s association with China’s gigantic state apparatus allowed it to maintain relative autonomy toward imperialist capital. Therefore, although originally located in a semi-peripheral capitalist formation, this new class structure is akin to the European internal bourgeoisie.

²⁵ Although the internal bourgeoisie has distinct characteristics with the capitalist classes of peripheral structures, there have also been attempts to apply this concept to industrialised and geographically influential countries, such as Brazil and Argentina. For instance, Martuscelli (2018b) identifies some monopolistic fractions of the bourgeoisie that, due to their expansion into different economic segments, have supported selective protectionist policies (Martuscelli 2018, 70).

Accordingly, both the Overseas Chinese and other commercial intermediaries have instrumentalised their cultural ties, family connections, and trustful relations with state officials in China to enter the Chinese market. Simultaneously, the state control over strategic sectors of the economy forced these strata to preserve trading networks with state agencies, establish joint ventures with SOEs, and commit construction projects to local state finance and management. For this reason, the Overseas Chinese and other commercial intermediaries have also located between imperialist capital and the domestic state-oriented economy, alternating their support between market liberalisation and protectionism. Instead of being completely alienated from national industrial development, they comply, to a certain extent, with state planning for economic growth. Considering its associative relation with the state in China's historical context, I call this fraction associated bourgeoisie instead of internal bourgeoisie.

Throughout the development trajectory of the soybean downstream complex, companies that were initially related to other capitalist class fractions have become new representatives of the associated bourgeoisie. This was the case of a specific group of private-owned enterprises that after 2008 specialised in soybean cross-border commerce. These enterprises were mostly from the coastal province Shandong, Sunrise Group being the most representative example. Sunrise was a national-private capitalist company that developed increasing comprador links with foreign agribusiness TNCs for soybean supply. Its reliance on foreign trade coincided with other typical characteristics of the associated bourgeoisie – most notably, a collaborative approach with local officials and a secondary industrial structure of soybean crushing.

1.5.2. State-led Bourgeoisie

The state-led bourgeoisie is a segment of what is known as the national bourgeoisie. It has emerged from the series of corporate reforms in China's state sector since the 1980s. Those reforms include financial restructuring, ownership diversification, market-oriented management, and competitive orientation at both the provincial and federal levels of the state sector (Andreas 2008, 132–34; Gallagher 2005, 134–40).

The literature around state capitalism and similar approaches have captured the main characteristics of the state-led bourgeoisie. They refer through different narratives to a particular form of accumulation in which the state incubates or fosters capitalist classes (Huang 2008; Huchet 2006; Milhaupt and Zheng 2015a; Wank 2001; Xing and Shaw 2013). Although their structural analyses downplay the heterogeneity of China's capitalist class formation, they

recognise a distinct group engaged in profit-seeking activities within (or related to) the state sector. These activities would not only be driven by political ambitions – as Shirk's (1996) “political entrepreneurs” term suggests – but also by self-enrichment, configuring it as a capitalist formation. Accordingly, the state-led capitalists would obtain individual economic benefits through multiple channels, including “super salaries”, the concentration of management positions in different subsidiaries, ownership shares in their own and other companies, and businesses outside the state sector (see Sklair 2002, 257).

Different from what most of the related literature depicts, enterprises related to this form of capitalist accumulation often aggregate both state officials and private capitalists. The former is not necessarily inclined to preserve state-ownership and protective policies, and neither is the latter necessarily towards privatisation and market liberalisation. Instead, they share common interests and are, therefore, members of the same capitalist fraction. For instance, although willing to expand their participation in the state sector, most private investors depend strongly on the state's financial and political support to grow. In turn, despite relying on state-ownership, SOEs' executives generally support and take advantage of corporate reforms. To a certain extent, both are interested in expanding private ownership and corporate management while conserving state-led incentives and protectionist policies.

The state-led bourgeoisie is particularly characterised by its relative autonomy from foreign imperialism. It relies on the preservation of state control over strategic sectors, public financing, central planning of the economy, and a flourishing domestic market – all under the tutelage of the Communist Party. The state-led capitalists meet Amin's description of the Chinese state as an entity that rejects "the neo-comprador option and (...) pursues its sovereign project of integrated and coherent national development" (Amin 2015). However, what makes the state-led capitalists a segment of the national bourgeoisie is not necessarily an antagonistic position vis-a-vis foreign imperialism or a dichotomic relationship between industrial and commercial capital. The state-led bourgeoisie's distinctiveness relies essentially on its political and ideological class determinations. Just like Poulantzas' understanding of the national bourgeoisie, the state-led bourgeoisie is based upon a “certain type and degree of contradictions with foreign imperialist capital, occupies a relatively autonomous place in the ideological and political structure, and exhibits in this way a characteristic unity” (Poulantzas 1976, 71). Therefore, this class fraction is capable of displaying nationalist political behaviour and making sovereignty part of its practices, including international expansion (Yu 2011, 155).

The most emblematic enterprises embodied by the state-led bourgeoisie in the soybean downstream complex are the local Jiusan, which belongs to the Heilongjiang's Beidahuang

Group, and the Sinograin. The state-led capitalists have driven these enterprises through forms of capital accumulation centred on industrial capital, such as soybean crushing and oil refining, as well as related logistics and farming segments. Their nationalist political behaviour is expressed through protective policies, whether towards agricultural soybean production or the domestic agri-food industry.

The two state-led capitalist companies have carried significant outbound investments with foreign acquisitions and international operations. However, they still rely primarily on national sources of financing and/or domestic circuits of production and consumption. Moreover, although these enterprises have promoted ownership diversification and developed financial mechanisms to raise capital, they are traditionally reliant on productive capital and comply with state financial regulations. This is especially the case with Sinograin. This SOE abides by governmental planning and acts similarly to a ministerial agency, often prioritising long-term political considerations over profits. Sinograin manages the state grain reserve and is responsible for state grain procurements. Due to its political and strategic centrality, its ownership structure is entirely owned by the state, with no independent management bodies. Nonetheless, Sinograin has also undergone corporate reforms and operates primarily through market principles. Its political orientation follows capitalist imperatives for growth. Therefore, this thesis considers it an instrument for the state-led bourgeoisie to achieve its class interests within the state.

1.5.3. National Private Bourgeoisie

The National Private Bourgeoisie is another segment of the national bourgeoisie. It has emerged from the privatization of SOEs and Township and Village Enterprises, as well as the independent rise of a private or semi-private economy in coastal regions. The former is composed of ex-factory managers and government officials who “jumped into the sea” (*xiahai*, 下海) – a Chinese expression for launching private businesses during the 1990s' state-corporate reforms. These managers and officials, also called insiders, have taken advantage of political and administrative connections to acquire state assets with favourable negotiating conditions – if not through illicit transferring contracts (Andreas 2008; Au 2012; Gallagher 2005). The independent private or semi-private capitalists, in turn, are related to local entrepreneurs that proliferated since the 1980s. Despite losing political prominence in the 1990s (chapter 4), they formed part of China's growing private economy. They have consolidated monopolistic

positions at both regional and federal levels through market dominance and direct or indirect proximity to government institutions (Milhaupt and Zheng 2015a).

Given that the early development of China's private economy has taken place primarily at the local level (Gallagher 2005, 134), these two strata have become particularly (but not exclusively) influential within provincial state institutions. What distinguishes them from the other forms of national capitalist classes, though, is their ambiguous relationship with the state apparatus in general. On the one hand, they rely on political and financial support from government institutions not only for "jumping into the sea" but also to expand their businesses. On the other hand, they compete with state-owned monopolies and, evidently, encourage the growth and consolidation of private ownership. Their association with the state has gained a new facet with increasing investments in the private economy, as in Chen's and Rithmire's (2020) concept of investor state. The state intervention has propelled a symbiotic relationship between this group of capitalists and segments of the Chinese bureaucracy. This includes their significant participation in the central and local administration, favouring the private economy (Dickson 2008, 13).

Just like the state-led bourgeoisie, the national private bourgeoisie is mainly based upon national circuits of production and consumption. Its domestic-oriented constituency has traditionally obstructed further attempts to collaborate with transnational fractions of capital except for establishing trade connections for importing soybean. Even so, some members of this class fraction, such as Dalian Huanong and Dalian Hualiang, have relied on their own soybean supply sources and confronted political attempts to open up the Chinese import market. Their class nature is initially derived from what Chapter 2 identifies as endogenous accumulation, referring to segments of the upstream production relatively detached from the global supply chain. With the soybean liberalisation though, these enterprises lost prominence to national private capitalists from coastal provinces, who grew by linking soybean processing with cheap imports. Among them, the most prominent players are Hopefull and Bohai.

1.5.4. Transnational bourgeoisie

The transnational bourgeoisie is embodied by agribusiness TNCs that, although based in a specific nation-state, are not circumscribed by it, becoming cross-border owners of means of production. The most obvious ways for this class to achieve its political goals are through exercising control and influence over multinational institutions, such as the International Monetary Fund (IMF), the World Trade Organization (WTO), and the World Bank (Robinson

and Harris 2000, 11) (see chapter 2). Nonetheless, it also amplifies its class interests through coercive and diplomatic mechanisms provided by the North American and other central states where they are based.

According to Sklair (2002), transnational capitalist classes emerged from three main social strata in China: 1) local officials who have developed business relations and lucrative contracts with TNCs; 2) private entrepreneurs and professionals who work for and with TNCs; and 3) representatives of TNCs in China, Hongkong, and neighbouring countries (Sklair 2002, 254). These social strata became affiliated with the transnational capitalist class with the increasing inflow of foreign investments in China since the late 1980s.

The main enterprises related to the transnational capitalist class in the Chinese soybean downstream complex are the American-based Archer Daniels Midland (ADM), Bunge, and Cargill, and the European Louis Dreyfus. These enterprises have invested in the sector either alone or in partnership with other capitalist class fractions, particularly the associated bourgeoisie and the transnationalised state bourgeoisie (Chapter 5). Around the mid-1990, both the Singaporean-based Wilmar International and the Hong Kong-based Noble Agri were listed in the Singaporean exchange market and developed globally integrated financial operations in collaboration with agribusiness TNCs. Therefore, they became part of the transnational bourgeoisie from the late 1990s onwards, despite their origins as associated capitalists.

Following the previous analysis in section 1.4, the transnational capitalist class interests are manifested primarily in trade liberalisation and financial deregulation policies, from which they expand through speculative activities. The companies related to this class in the Chinese soybean complex have built processing infrastructure and trade and storage logistics. Notwithstanding, their investment in productive capital is generally subjected to financial interests, including raising shareholder value through stock exchanges and capital market operations (Murphy, Burch, and Clapp 2012, 22–55).

1.5.5. Transnationalised state bourgeoisie

As related previously in this chapter, the transnationalised state bourgeoisie is a segment of the transnational capitalist class attached to the state. It results from the expansion of state-owned monopolies into global value chains and their integration into overseas financial markets (Harris 2009, 21). Prototypes of the transnationalised state bourgeoisie have emerged since the beginning of the reform and opening-up (1978) (Sklair 2002). Following the state

sector's corporate reform, some SOEs have transferred management and operation structures overseas and partnered with foreign transnationals. These were mainly state-owned trading enterprises that, until the late 1980s, enjoyed exclusive rights to operate foreign trade and launch foreign acquisitions. Their global integration enabled the introduction of financial mechanisms to raise funds on foreign stock markets and to avoid tax by opening subsidiaries in offshore tax havens.

Within the Chinese soybean downstream complex, the main enterprises harboring this class fraction are the central state-owned COFCO and Chinatex. These two enterprises were founded in the early years of the Peoples' Republic of China and were entrusted by the state to implement industry management over the country's import and export trade.²⁶ From the 1990s onwards, they experienced radical ownership and corporate reforms, becoming market-driven and profit-seeking oligopolies (Chapter 4). During the Xi Jinping administration (2013 onwards), COFCO took a leading position in soybean trading and processing in China and overseas. COFCO's rise included the merger of Chinatex in 2016 and the acquisition of Noble Agri in 2014.

Compared to the hegemonic segment of the transnational bourgeoisie, this class fraction exhibits a peculiar combination of state control and party hegemony with transnational structures of finance. It is sustained simultaneously by Beijing's political and financial support and foreign investment institutions and corporations. As Sklair (2002) suggests, if there is a Chinese version of the transnational capitalist class, this would be probably "based on an alliance between private capitalists and enterprises who have a connection with the state and/or party apparatus" (Sklair 2002, 259). This characteristic makes the transnationalised state bourgeoisie a competitive segment within the transnational capitalist class. Although connected to the US-centred financial hegemony, it has a semi-autonomous stand sustained by China's state power, which allows it to benefit from financial deregulation and trade liberalisation while consolidating a globally competitive position under state support.

The transnationalised state bourgeoisie is composed of SOE's executives and related state officials alongside foreign partners. In addition to the means of self-enrichment used by

²⁶ COFCO's predecessor was the North China Foreign Trade Company, established in Tianjin in September 1949. During the 1950s, it congregated specialized branches, such as North China grain, North China fat, North China Egg Products, North China Bristles, North China Fur, North China Local Products. In turn, Chinatex's predecessors were the two state-owned China Silk Corporation and China Sundries Corporation. In 1961, both COFCO and Chinatex made further adjustments and mergers, becoming single state trading bodies (Guo 2016; Li 2010; Tang 2010).

the state-led capitalists, they have traditionally engaged in illegal cross-border commerce of parallel goods market, which although imported under official licenses were sold privately (Sklair 2002, 257). Transnationalised state capitalists also engage in rent-seeking activities at the corporate level, such as brokering deals with foreign partners to acquire foreign reserves (Sklair 2002, 257–58). Besides that, their families and themselves invest in stock exchange markets in Hong Kong and eventually occupy directive positions at other foreign transnationals (Chapter 5).

Table 1: Illustrative table

	Class members	Main companies	Geographic location	Main segments in the sector	Accumulation and wealth appropriation
<i>Associated Bourgeoisie</i>	Overseas Chinese, local commercial intermediaries, and former national private capitalists	Wilmar International, Kuok Brothers, and Noble Agri (until the late 1990s), and Sunrise (after 2008)	Coastal regions	Trading, soybean crushing, and oil refining	Profit from trading and surplus value from industrial activities
<i>State-led Bourgeoisie</i>	SOE's executives, private investors	Jiusan and Sinograin	The entire country	Soybean crushing, oil refining, storage, transportation, and farming	“Super salaries”, multiple corporate positions, ownership shares, and private business
<i>National Private Bourgeoisie</i>	Former state managers and officials (the insiders) and independent entrepreneurs	Bohai, Hopefull, and Sunrise (until 2008)	Coastal regions	Soybean crushing, oil refining, storage, and transportation	Surplus value from industrial activities
<i>Transnational Bourgeoisie</i>	TNCs' shareholders and executives, and related private entrepreneurs and professionals	ADM, Bunge, Cargill, Louis Dreyfus, Wilmar International (since late 1990s), and Noble Agri (from the late 1990s to 2014)	The entire country and worldwide	Trading, derivatives market operations, capital market operations, soybean crushing, oil refining, storage, and transportation	Financial operations and price speculation mechanisms
<i>Transnationalised State Bourgeoisie</i>	SOE's executives, and foreign investors	COFCO, Chinatex, and Noble Agri (since 2014)	The entire country and worldwide	Trading, derivatives market operations, capital market operations, soybean crushing, oil refining, storage, and transportation	Illegal cross-border commerce, rent-seeking activities, financial operations, and price speculation mechanisms

Chapter 2: The Fall of the Endogenous Accumulation and the Rise of Transnational Capitalism (late 1980s-early 1990s)

2.1. Introduction

Between 1995 and 1996, China took the first step to opening its domestic soybean market. The central government reduced from 114 to 3 per cent the import tariffs on raw soybean with multiple column tariff (Yan, Chen, and Ku 2016, 380).²⁷ It also temporarily lifted import barriers on soybean meal and other feed materials (Gale 2015, 5; Schmidhuber 2001, 25).²⁸ Furthermore, in 1999, during the preparation of China's accession to the WTO, the government adopted a single-column tariff of 3 per cent and eliminated soybean import quotas (Gale 2015, 4; Nepstad 2017, 10). As a result, in 2000, China became the world's largest soybean importer, ahead of Europe (Yan, Chen, and Ku 2016, 373).

In line with the CCP's official discourse, the mainstream literature considers soybean opening as an effort to modernise the feed processing and livestock industry. Several authors (Gale 2015; Hsu 2001; McKee 2004) argue that the decline of grain production during the 1990s jeopardised China's food self-sufficiency targets and curbed the country's supply of feed resources.²⁹ At the same time, the rising meat consumption in urban centres increased the demand for animal-feed supply, pushing agricultural prices further up. According to these authors, the government saw outsourcing soybean supply as a feasible alternative to the grain supply and price crisis. Some policies approved during the 1990s corroborate their argument.

²⁷ Under the multiple column tariff system, the tariff rate or import tax is set individually for each country of origin.

²⁸ The government lowered soybean meal import tariffs to 5 per cent, eliminated the 13 per cent value-added taxes (VAT) on commercial transactions, and lifted its import quotas.

²⁹ The decline in grain production are a result of urban bias policies and economic deregulation (Bramall 2009, 346; Yang 1999, 311). Accordingly, from the mid-1985 until the early 2000s, the Chinese government gave privileged financial treatment to coastal urban centres, including subsidies, credits, and investments. Those incentives, in turn, provoked inflation and affected rural earnings (Yang 1999, 311). At the same time, the government imposed limits on the acquisition of grains and abolished the quota system, giving rise to a new system based on voluntary contracts. Hence, the agricultural surplus was sold on free-market bases, through which prices became increasingly devalued (Bramall 2009, 346). These policies brought about grain shortages in some regions of the country, which became more critical after a severe drought during the 1994-95 (Tortajada and Biswas 2014).

For instance, in October 1996, the China State Council's "white paper" set a 95-per cent self-sufficiency target for grains and recommended related state institutions curb grain feed use. The document also promoted shifting livestock production from pork to less grain-intensive animals, such as poultry, beef, and mutton, as well as increasing the use of crop by-products and grasslands (Gale 2015, 13). A series of documents approved from 1996 to 1998 also encouraged increasing grain production and expanding the use of non-grain feed crops for livestock (Zhan 2017, 151).³⁰

These policies reflected a catastrophic sentiment among part of the state bureaucracy that China would no longer be able to sustain food security goals, particularly influenced by the report "Who Will Feed China?" published in 1994 (Zhan 2017, 151). In this report, Lester Brown, the head of the World Watch Institute, suggested that China's increasing food consumption would inevitably follow the paths of Japan, South Korea, and Taiwan – countries that outsourced agricultural supply to meet their population's increasing consumption of animal protein (Brown 1995; 1994; cited in Yan, Chen, and Ku 2016, 375). Although highly sensitive to food security concerns, the state bureaucracy seemed to accept Brown's prognosis, opting to import soybeans and other feed crops to alleviate grain shortages.

However, several social activists and critical scholars had questioned the narratives favouring soybean liberalisation, particularly after the mid-2000s, when the overflow of soybean imports made the sector vulnerable to global price fluctuations benefiting foreign agribusiness TNCs (Chapter 5). Yan, Chen, and Ku (2016) argue that, on behalf of industrial modernisation, mainstream scholars have downplayed the effects of imported soybeans on China's domestic agriculture. In their words, "while this type of narrative represents China as an avaricious monolith scrambling for food, it evades the fact that the colossal soybean trade has made it difficult for soybean farmers in China to sustain their production" (Yan, Chen, and Ku 2016, 374). They suggest that instead of a consensual (and inevitable) political initiative, soybean liberalisation corresponds primarily to the interests of transnational agribusiness as China integrates into global value chains. However, Yan, Chen, and Ku (2016) do not develop

³⁰ These documents include Ninth Five-Year Plan for National Economy and Social Development and the Long-Term Target for 2010 (March 5, 1996), Report of the 15th National Congress of CPC (September 12, 1997), CCP Central Committee's Decision on Major Issues Concerning Agriculture and Rural Areas (October 14, 1998). Among the supportive policies for increasing grain production, the government held crop subsidy programs, special incentives for certain regions, and measures to control grain prices (Zhan 2017, 151).

this argument, preferring to focus on the effects of soybean liberalisation on food security policies and discourses.

To address the gap in the literature, I investigate how the transnational bourgeoisie represented by the so-called ABCD acted within the state to push forward soybean liberalisation. I argue that the mid-1990s' policy change resulted from diverging capitalist class interests through which the transnational bourgeoisie's interests have prevailed. Notably, before liberalisation, the state-led bourgeoisie (represented by Jiusan) and the national private bourgeoisie (represented by Dalian Hualiang and Dalian Huanong) played a central role in the soybean downstream complex, with large-scale soybean farming and processing in North-east China. They expanded through an endogenous form of capitalist accumulation, relying on domestic circuits of production and consumption supported by protectionist agricultural policies. However, as the following sections demonstrate, whereas state-led and national private capitalists influenced state institutions at the regional level, the transnational bourgeoisie counted on bilateral and multinational political action to pressure the Chinese government.

Chris Bramall's (2007) critique of the existing literature on rural industrialization lends support to my analysis. Bramall divides the literature among scholars who take liberalisation and foreign investments as the main driver for economic growth (the orthodox) and those who emphasise the industrial push of the state sector during decentralisation reforms in the 1980s and early 1990s (the revisionists). He argues that neither the orthodox nor the revisionists accurately explain China's early rural industrialisation. Following Bramall's argument, I indicate that at first glance, the transnational bourgeoisie's initial investments in soybean processing contributed to modernising the soybean downstream complex – in line with the orthodox understanding. However, section 2.2 demonstrates that the foreign TNCs' expansion in the sector relied primarily on soybean trade, favouring imports over domestic processing. In turn, the growth of soybean processing driven by state-led and national private capitalists counted on local state officials willing to develop the market economy, which reinforces the revisionists' argument. However, section 2.3 indicates that the state-led bourgeoisie and national private bourgeoisie expanded through industrial infrastructure built primarily in the Maoist era in the early 1970s. These industrial infrastructure secured China's endogenous capitalist development during the reform and opening-up period.

One could argue that the foreign investments (stressed by orthodox) and local state corporatism (stressed by revisionists) could promote industrial development together, as is the case of agribusiness TNCs investing in soybean processing under the support of provincial

officials. However, section 2.3 also shows that the opening of China's import market eroded the traditional soybean processing infrastructure built during the Maoist period as imported soybeans and soybean products competed with the North-eastern production. The liberalisation policy did not bring about the modernisation of China's feed and livestock industry. Instead, it integrated the soybean downstream complex into transnational circuits of capital accumulation, paving the way for the growth of foreign TNCs' trading activities.

Lastly, section 2.4 describes the political action of the transnational bourgeoisie within the Chinese state. This class fraction has participated in U.S.-China diplomatic negotiations and has had a proactive role in official and semi-official bilateral agencies. It also benefited from North American liberalisation campaigns as well as the global neoliberal agenda of institutions like the World Bank and the WTO.

2.2. Reassessing the Role of Foreign Capital and Local State Corporatism in Soybean Processing

At the early stage of the reform and opening-up between the 1980s and the mid-1990s, rural industries, mostly from coastal provinces, were the motor of China's economic growth. An economy based on a consumer-oriented light industry rose in coastal towns and became rapidly large exporters. When analysing the literature on China's rural industrialisation, Chris Bramall (2007) notes that the orthodox scholars (Lin and Yao 2001; Sachs and Woo 1994; Wong 1991; J. Wu 2005) associate the idea of industrial modernisation with China's integration into global markets. They are inspired by neoclassic economic theories and consider foreign investments and the deregulation of ownership control as the primary motor of China's rural industrialisation. They argue that opening the market in the coastal regions during the 1980s increased industrial efficiency and stimulated China's emerging private economy. The replacement of a supposedly inefficient state industry by private and foreign enterprises allowed the formation of a labour-intensive export industry, which became the basis of China's initial economic growth.

The technological upgrades and improvements in infrastructure led by agribusiness TNCs in China supposedly support the orthodox' argument. One could argue that the transnational bourgeoisie helped boost China's soybean and food processing. Cargill and ADM invested in industrial plants and logistics in the late 1980s and early 1990s, facilitated by the

progressive removal of state control over industrial ownership,³¹ which the orthodox literature considers the crux of China's early-stage rural industrialisation (Gao and Huang 2012).³² ADM established joint ventures to build four large-scale soybean crushing facilities in China's coastal provinces, becoming the first North Atlantic-based TNC to invest in the sector.³³ It also acquired a pre-mix plant for processing animal feed in Dalian, having part of its ingredients produced in the North-east China (ADM 2019; 'ADM Annual Report' 2003; cited in Shurtleff, Huang, and Aoyagi 2014, 2714).³⁴

However, following Bramall's critique of the orthodox literature, I point out that the transnational bourgeoisie had a marginal role in rural industrialisation. Although foreign agribusiness TNCs launched early investments in soybean processing, this class fraction was primarily engaged in forms of accumulation linked to global supply chains. They relied on profits gained from imports and price speculation as China's legal regime for foreign trade and investment was progressively deregulated.³⁵ They developed increasing trading networks with local officials who helped settle shops and representative offices in mainland China. In 1987, Cargill established its first subsidiary for soybean trade in the coastal Shandong province (Cargill China 2019). In 1994, Louis Dreyfus opened a subsidiary at the Shanghai Free Trade

³¹ Foreign businesses in the newly opened zones were allowed to run under capitalist imperatives and with no managerial intervention by the state. Foreign investors enjoyed property rights and were subsequently allowed to develop commercial and industrial undertakings within mainland China (Chossudovsky 1986, xi; 160). Moreover, in 1986, the Chinese government approved the free establishment of Sino-foreign joint ventures and wholly foreign-owned companies in China (Breslin 2007, 47).

³² In 1987, Cargill's subsidiary in Shandong built the first Sino-American food-processing joint-venture (Z. Li 2019; Y. Zhou 2010). In 1992, the company launched a large-scale investment in food trade and processing, which included the opening of 10 more factories during the following six years (Cargill China 2019; D. Zhou 1998).

³³ They are the North Sea Co., founded in April 1992 at the Tianjin Port Free Trade Zone; the Yellow Sea Co., founded in August 1992 at the Rizhao Port, Shandong; the East Ocean Co., founded in June 1993 at the Zhangjiagang Free Trade Zone; and Great Ocean Oil and Grain Industries, founded in 1994 and commissioned in August 2000 ('Joint Announcement' 2001; Wilmar International 2017; Qichacha [Enterprise Investigation] n.d.).

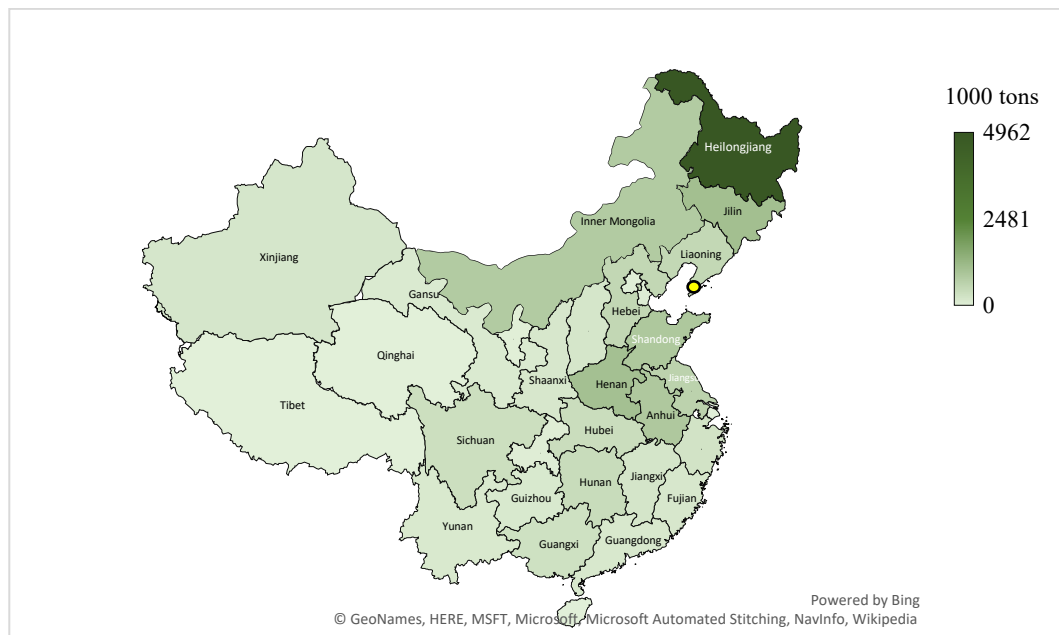
³⁴ A minor Japanese-based transnational, Nisshin Oil Mills, established a joint venture in Dalian to build a soybean crusher, which also relied on the regional soybean supply (*Journal of the American Oil Chemists' Society* 1988; cited in Shurtleff and Aoyagi 2016, 3040).

³⁵ Firstly, they benefited from the opening-up of new jurisdictional areas and economic sectors to market economy (Liew 1995; Shirk 1996, 205–6). Moreover, they took advantage of the deregulation of price regimes and the privatisation of supply and distribution in Chinese agriculture since the mid-1980s (Huchet 2006, 10).

Pilot Zone responsible for trading and logistics of grains and soybean oil (Louis Dreyfus Group n.d.). In 1998, Bunge established a trading and marketing office in Shanghai (Alibole n.d.; Bunge n.d.). Two years later, the office started to sell soybean in the Chinese market and established a direct network with Chinese farmers and enterprises to export corn and wheat (Alibole n.d.).

On the other hand, the state-led bourgeoisie and national private bourgeoisie relied almost exclusively on soybean processing infrastructure. The state-led Jiusan, was based in the North-eastern Heilongjiang province, where most of China’s soybean farming is concentrated (figure a). In turn, the state-led Dalian Huanong and Dalian Hualiang were founded in Dalian, an industrial centre and seaport located on the banks of the Yellow Sea (Figure 1). Dalian’s transportation system connected at the same time the region's soybean supply resources and foreign markets, which enabled occasional exports to Japan and other Asian countries – turning the city into China’s processing hub at the time (Dominy 2003; Haumann 1985; cited in Shurtleff and Aoyagi 2016).

Figure 1: China's soybean production by region (2001)



Source: National Bureau of Statistics of China (2009).

The state-led and national private capitalist expansion resembles, in part, the revisionists’ view of China’s rural industrialisation. These scholars (Shirk 1993; Oi 1992; Shirk 1996) emphasise the role of local governments as prominent industrial drivers. According to

them, fiscal and administrative decentralisation reforms in the 1980s and the hardening of provincial budget constraints encouraged local SOEs and Township and Village Enterprises (TVEs) to develop corporate management capacity in alliance with both private and foreign entrepreneurs (Shirk 1996, 42–43).³⁶ They argue that those reforms provoked the rise of “local state corporatism,” which pushed China’s rural export industry to seek profits through efficiency gains, becoming internationally competitive (Oi 1992, 124).

In line with the reformist literature, the national private Dalian Hualiang and Dalian Huanong grew and won over smaller competitors through the rise of Dalian’s private economy and urban growth. The state-led Jiusan, in turn, emerged mainly from the corporate restructuring within the Heilongjiang Province Farms and Land Reclamation Bureau – an administrative body responsible for most of the province’s agricultural production.³⁷ With a higher degree of managerial autonomy conceded by the central government, the Bureau created a market-driven company in 1994, called Heilongjiang Beidahuang Land Reclamation Group (known as Beidahuang). The new company invited private investments and dominated the region’s agri-industrial business. Beidahuang was one of the only Chinese enterprises with abundant farmland and directly engaged in agricultural production.³⁸ It became the corporate arm of the Heilongjiang Province Farms and Land Reclamation Bureau (Smith 2017, 257).³⁹

³⁶ In 1980, the fiscal reform decentralised China’s revenues and allowed provincial and lower-level officials to keep the profits of the local industry. However, as the central revenues shrunk, ministerial investments at the provincial and municipal levels also decreased (Shirk 1996, 205). Moreover, in the mid-1980s, the Chinese government launched an administrative reform that gave provinces the right to implement semi-autonomous economic regulations. Although the central intervention was never excluded from the local affairs, both the administration of foreign investment and trade were allocated to provincial governments (Demurger et al. 2002, 157). Since then, local officials and trading agencies were granted the authority to control foreign exchange and import and export licenses of raw materials, material equipment, and information (Zweig 1991, 724).

³⁷ The Heilongjiang Province Farms and Land Reclamation Bureau was created in 1947 under the Ministry of Agriculture. It was responsible for land reclamation on the North-east border-region. With the rise of Sino-Soviet military tensions during the 1960s and 1970s, the North-east and North-west border regions became strategic for both military and agricultural purposes. From the basis of advanced military farming, the Bureau became one of the Chinese most critical agricultural areas (Smith 2017, 257).

³⁸ Li, Xu (Senior official of the Finance Department of the Ministry of Agriculture and Rural Affairs of the People’s Republic of China), in discussion with the author. Beijing, 3 November 2018.

³⁹ Currently, Beidahuang has seventeen branches, eight subsidiaries, and shares in a bank, with agriculture as its core business. It also covers trade, real estate, and finance (Zhong and Chen 2014). In turn, the Heilongjiang Province Farms and Land Reclamation Bureau became an official administrative body (M. Zhao and Liang 2009, 11; Zhong and Chen 2014).

In September 2002, Beidahuang established a specialised company responsible for its soybean meal and soybean oil processing businesses, as well as trade and distribution of these and other food products. The new company was called Jiusan Cereals and Oils Industrial Group in reference to the Jiusan (in Chinese, “nine three”) administrative area, which concentrated the region’s soybean crushing facilities.

As an illustration of the dynamic local state-market relations, which the revisionists call local state corporatism, both the state-led bourgeoisie and the national private bourgeoisie pressured and benefited from agri-industrial modernisation policies. The state-led bourgeoisie had direct connections with the Heilongjiang government. The national private bourgeoisie, in turn, achieved high-level positions in local political and entrepreneurial circles, as in the case of Huanong’s chief executive Li Guangfu (李广富 in Chinese). During the 1990s and 2000s, Li became the Director of China Enterprise Confederation, Director of China Vegetable Oil Industry Association, Representative of Dalian Municipal People's Congress, among other positions (Huang 2006).⁴⁰ Their active political agenda reflected early intentions to modernise the Heilongjiang’s soy-foods industry along capitalist imperatives. Since the 1980s, the province raised a public debate about the need to scale up China’s soybean meal production for export and domestic sales (Ma 2005, 7; Shurtleff 1984).

Modernisation policies allowed these class fractions to expand their agro-industrial operations, reducing the cost of raw materials, management fees, transportation costs, personal costs, and storage fees, among other benefits (Lu 2002). The continuous modernisation policies throughout the 1990s (and even in the early 2000s) allowed these enterprises to enjoy a long-standing growth in the sector.⁴¹ The state-owned Jiusan attracted private investors from other regions to jointly build crushing plants in Heilongjiang province and Dalian city in the following years.⁴² Likewise, the private-owned companies Dalian Huanong and Dalian

⁴⁰ He also became the Director of China Grain Industry Association, the Executive Director of China Township Enterprise Association, and a member of Dalian Municipal Government Advisory Committee.

⁴¹ The most consistent modernisation policy was approved by China’s Ministry of Agriculture in the early 2000s (Guo 2008, 4). It consisted of state incentives to scale up and increase the local soybean production. The revitalisation plan included a pilot subsidy program that offered improved soybean seeds to 127 counties of the region’s three provinces Heilongjiang, Jilin, and Liaoning, as well as in the eastern part of Inner Mongolia (Dominy 2003; Gale 2013, 4). As part of the modernisation effort, the plan also encouraged SOEs and related state institutions to purchase from domestic producers (Oliveira, 2017: 86).

⁴² In September 2001, Jiusan and several financial holdings from Shanghai established the Jiusan Group Harbin Huikang Food Corporation (commissioned in 2002). In November 2003, Jiusan partnered with

Hualiang expanded their processing infrastructure and integrated into other segments of the Chinese soybean complex.⁴³ Their investments in agri-food processing became the backbone of the soybean downstream complex's growth.

2.3. The Endogenous Capitalist Accumulation

One could argue that the two industrialisation paths described by the orthodox and the revisionist literature validate each other as the historical scenario that underpinned what revisionist scholars call local state corporatism has also paved the way for foreign capital to develop ties with the Chinese state. For instance, provincial governments gained considerable autonomy to formulate and execute trade and investment policies. As they received less transfer of ministerial revenues, they developed closer connections with foreign investors to overcome budget constraints. Following the opening of coastal zones and economic sectors, local officials established preferential finance and industrial management regimes for foreign investments (Shirk 1996, 42–43). Even though decentralisation propelled the emergence of a dynamic and competitive state-led economy, it also allowed foreign players to amplify regional alliances and expand their market access in China. These players would often partner with local officials willing to break deals in return for economic advantages.

Some evidence shows that agribusiness TNCs have relied on this type of political relationship to obtain credit for their subsidiaries and expand their trading network. For example, Louis Dreyfus' representatives in Shanghai have developed close ties with the head of the local Business Management Department of Shanghai Free Trade Pilot Zone, Chen Xiaojiang (陈晓江 in Chinese) (Liao 2020; Finance.Sina 2019). This regional ally who was probably interested in attracting foreign investment into its administrative department has

investment funds owned mainly by Guo Yanchao, a rich entrepreneur and prominent politician from Henan Province, to establish the Dalian Soybean Technology Corporation. Two months later, Jiusan also founded its solely-owned soybean crusher Harbin Soybean Products Corporation. These three enterprises had a daily processing capacity of 1000 tons, 5000 tons, and 2000 tons, respectively. Jiusan controlled the equivalent of 55 per cent of their processing capacity (altogether), while the private counterparts controlled the rest.

⁴³ Huanong, who owned a small crushing plant since 1988, might have used the political influence of its chief executive, Li Guangfu, to modernise and expand the company's crushing capacity. Hualiang, in turn, built up one of the region's largest soybean crushers in 2002, the Shenyang Jindou Food Limited Company (Qichacha [Enterprise Investigation] n.d.). Adding it to another crushing facility at Dalian, Hualiang had a daily soybean processing capacity of 5000 tons in the region.

helped Louis Dreyfus to obtain profitable trading and financial contracts (Y. Wu 2019). From this perspective, the transnational bourgeoisie would collaborate with state-led and national private capitalists through industrial partnerships at the local level.

However, by further analysing the state-led bourgeoisie's and national private bourgeoisie's accumulation strategies and political action, I find that the industrialisation attempts of these class fractions were frontally opposed to the political agenda of foreign TNCs based on trade liberalisation. Following Bramall's critique of orthodox and revisionist scholars, decentralisation reforms advocated by the revisionists do not explain rural industrialisation on its own. Despite the structural economic changes of China's open-door policy, decentralisation of power and localised industrial growth started earlier in the 1970s (Bramall 2007, 74). From this perspective, industrial policies in the Maoist era were crucial engines of growth – which does not necessarily mean that they drove improvements in efficiency at any moment – instead of a later alliance between foreign capital and local state corporatism.

The bases of accumulation of the state-led bourgeoisie and national private bourgeoisie lend support to Bramall's critique. For instance, these class fractions counted on relatively big soybean crushing plants in Heilongjiang province built during the Maoist era – China's largest until the mid-1990s (Zhan 2017, 151). These crushing plants were later restructured into market-led enterprises and were scaled up through technological upgrades (Jiusan n.d.; Baidu Encyclopedia n.d.). As related enterprises rose from an autonomous industrial base, they initially developed an endogenous form of accumulation, indifferent to the global soybean value chain. Endogenous accumulation refers to domestic processes of expansion in both the spheres of circulation and capital. Regarding the sphere of circulation, even though state-led and national private capitalists have developed commercial networks with Japan and other Asian countries from the port of Dalian, they relied mainly on the domestic market and depended on locally supplied soybeans.⁴⁴ As for the sphere of capital, these class fractions penetrated China's agri-food industry through domestic circuits of production and consumption. They integrated vertically into soybean farming and processing and relied on local consumption of soybean food products – including soybean oil, which is traditionally part of China's Northern and North-eastern diet.

For instance, as a subsidiary of the giant soybean producer Beidahuang, the state-led Jiusan took domestic soybean supply as a guiding principle (Wang, Wang, and Wei 2013). On

⁴⁴ Besides the soybean products that served as traditional food ingredients, soybean oil was the most widely used edible oil in Northern and North-eastern China.

the year of its foundation, the company signed a supply agreement with local cooperatives from the Heilongjiang Province Farms and Land Reclamation Bureau, linking its expansive industrial operations to the region's agricultural production (Lu 2002). In turn, the national private capitalists Dalian Hualiang and Dalian Huanong relied on soybean sourcing from cooperatives from Heilongjiang and neighbouring provinces.⁴⁵ Their production was mediated by the provincial government, which in the early 1990s took charge of agricultural circulation, storage, food manufacturing, and market regulation (Z. Zhao and Zheng 2013).

Their endogenous capitalist accumulation is in line with the CCP's long-term inclination to raise the per capita consumption of animal-based protein.⁴⁶ For instance, already in the 1970s, the CCP labelled the feed industry as a strategic economic segment and started building modern feed mills to increase the domestic supply (Gale 2015, 4). Such policy was, then, endorsed by Deng Xiaoping in 1982 and during China's Seventh Five-Year Plan (1986-1990) (Gale 2015, 4; Nepstad 2017, 4).⁴⁷ This political inclination allowed emerging capitalists to expand through industrial protectionism, contrary to both the orthodox and revisionist interpretations. For example, already in the 1980s, the Harbin Commercial College, from the leading soybean producer province Heilongjiang, organised research delegations to the USA with China's Ministry of Commerce. During these visits, they held talks with the American Soybean Association (ASA) and other soybean producer organisations. It became clear to their American counterparts, though, that the Chinese visitors were more interested in studying modern techniques for planting and processing soybean than establishing any trading partnerships (Foley 1983).

⁴⁵ For instance, Hualiang had its own production bases in Inner Mongolia.

⁴⁶ Already in the 1970s, the Chinese state started building modern feed mills to increase the domestic supply (Gale 2015, 4). During that same period, the government labelled the feed industry as a strategic economic segment – which was further endorsed by Deng Xiaoping in 1982 (Gale 2015, 4; Nepstad 2017, 4). Afterwards, the seventh Five-Year Plan (1986-1990) ratified goals to increase the domestic production of feed protein. This plan included the withdrawal of business tax and value-added tax. It also reduced tariffs on local supply of raw materials, earmarked loans from public banks, on state subsidies, and imports of equipment (Gale 2015, 4). Lastly, in 1989, the government approved the “vegetable basket project”, which included charging municipalities with developing feed and meat production to supply urban centres (Gale 2015, 4).

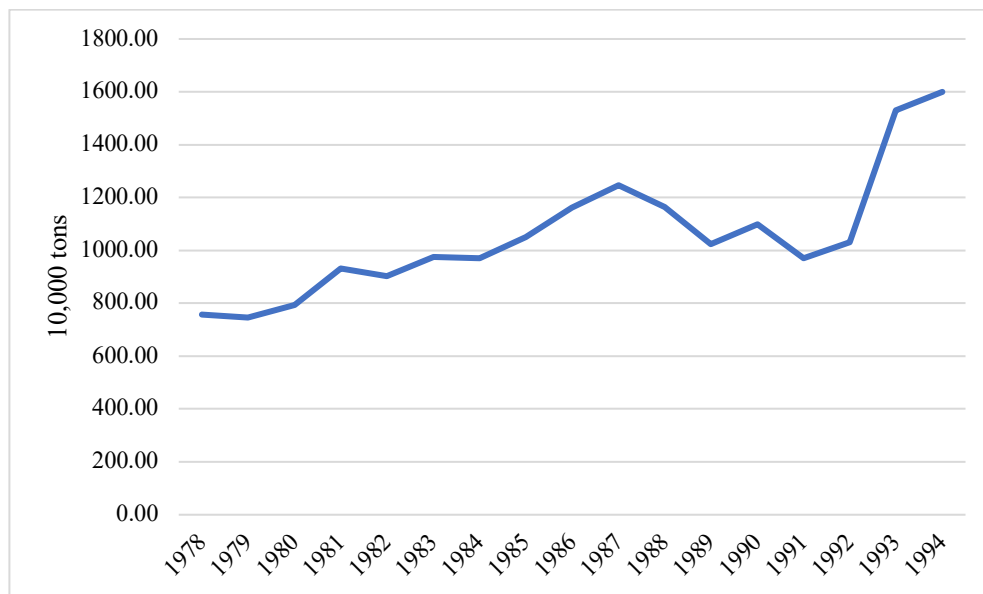
⁴⁷ The seventh Five-Year Plan (1986-1990) ratified goals to increase the domestic production of feed protein. It included the withdrawal of business tax and value-added tax, and reduced tariffs on local supply of raw materials, earmarked loans from public banks, on state subsidies, and imports of equipment (Gale 2015, 4). In 1989, the government also approved the “vegetable basket project”, which included charging municipalities with developing feed and meat production to supply urban centres (Gale 2015, 4).

The protective character of the endogenous capitalist accumulation reflects China's food security directives. Although the official documents released from 1996 to 1998 have stressed grain self-sufficiency, none of them excluded soybean from its targets. Even though the 1996 white paper discouraged the feed use of grains, it did not count on outsourcing feed crops as an alternative. Instead, the document ensured 95 per cent self-sufficiency for soybean (Myers and Guo 2015, 6). Rather than advocating the outsourcing soybean supply on behalf of grain production, these measures indicated an inclination toward maintaining soybean production at home.

China's soybean industrial protectionism contradicted the transnational bourgeoisie's interests in the sector. This is particularly evident if analysed from a global perspective in which the North American world sales shrunk during the 1980s and struggled to keep their trade prominence.⁴⁸ As the endogenous expansion potentially appropriated their soybean market shares, the transnational bourgeoisie advocated for trade liberalisation in China, coinciding with the need to curb China's domestic production. For instance, during 1986-1988 and 1993-1994, China achieved record outputs (Figure 2), accounting for around 9 per cent of the world's soybean production (Wittenburg 1993, 20; cited in Shurtleff and Aoyagi 2016, 3176). The domestic growth did not only meet China's internal market but also allowed it to compete with the U.S. on the Japanese and Asian markets. Already in 1986, China sold 280,000 metric tons of raw soybeans to Japan and kept destining a small proportion of its supply to other neighbouring countries (*Journal of the American Oil Chemists' Society* 1987; Brown and Kane 1994).

⁴⁸ Its shares of the world soybean exports dropped from 95 per cent in 1979 to 45 per cent in 1990 (Larson and Rask 1992; cited in Shurtleff and Aoyagi 2016, 3130). It is worth noticing, though, that this phenomenon was partially due to the internationalisation of food production led by the North American own transnationals. For instance, Brazil and Argentina took over a large part of the American exports. In 1992, they controlled 30 per cent and 16 per cent of the world's market share, respectively (Larson and Rask 1992; cited in Shurtleff and Aoyagi 2016, 3130). Meanwhile, ADM, Bunge, Cargill, along with the European Louis Dreyfus, invested progressively in these countries, from where they controlled a significant part of the soybean exports ('ADM Annual Report' 2003; Wesz Jr. 2011).

Figure 2: China's soybean production (1978-1994)



Source: China Grain Yearbook (2017).

During the 1990s, the companies related to the state-led bourgeoisie and national private bourgeoisie ventured into soybean trading and controlled an increasing share of China's sales abroad. The Dalian Huanong and Dalian Hualiang were among the first to invest in exports. They were followed by Jiusan, who entered the futures market of soybean and started to prospect cross-border trade in 1998 (Jiusan n.d.). Despite relying primarily on the Chinese domestic market, these class fractions were a potential threat to the transnational bourgeoisie's prominence in Asia. The North Atlantic-based transnationals still dominated the soybean export market to most Asian countries, whereas the presence of Chinese firms became part of their concerns (*Journal of the American Oil Chemists' Society* 1987; cited in Shurtleff and Aoyagi 2016, 2964).

2.4. Politicising Soybean Liberalisation

As described in the introductory section, Yan, Chen, and Ku (2016) argue that instead of a rational and consensual decision, opening Asian food markets favoured capitalist classes linked to North American agribusiness' interests, which did not necessarily aim for agricultural growth. As they notice, during the 1980s and the 1990s, the US hegemony and regional's geopolitical conditions were essential in generating food deficits in Japan, South Korea, and

Taiwan (Yan, Chen, and Ku 2016, 375). Under the North American influence, these countries abandoned previous policies of self-sufficiency and implemented a structural adjustment that included agricultural liberalisation (Yan, Chen, and Ku 2016, 376). By refuting the pro-soybean liberalisation literature, Yan, Chen, and Ku indicate that China follows a similar trajectory to its Asian neighbours, allowing foreign TNCs to enter the domestic market at the expense of its agricultural production. However, as these authors focus on the effects rather than the reasons for the soybean liberalisation, they do not explain how and why this phenomenon has occurred in China.

To address the gap in the literature, I delve into the political action of the transnational bourgeoisie to push forward soybean liberalisation. As I will demonstrate, whereas state-led and national private capitalists influenced the state at a provincial level, the ABCD went beyond, reaching national and international levels through bilateral and multinational influence. As a result, the state opened China's soybean market to the detriment of domestic farming and processing.

One could still argue that opening China's soybean and soybean meal imports would contribute to the feed and livestock industrial modernisation following China's food security policies. The inflow of raw and processed soybeans would reduce feed production costs and boost domestic meat breeding plants, contributing to agri-food industrialisation. However, soybean processing plays a central role in the soy-meat commodity chain as an intermediary industrial segment. By controlling the crushing industry for soymeal production, the state-led bourgeoisie and national private bourgeoisie could impose quality standards and influence buying and selling prices of soybean and feed products. Moreover, soybean crushing has a high-value addition compared to feed meals as it applies high technology with intricate processing engineering. It also has a broad market coverage, reaching both feed meal and soybean oil.

2.4.1. Political influence through U.S.-China Institutional Relations

The transnational bourgeoisie, which contributes to and benefits from U.S. global hegemony, has taken advantage of institutional mechanisms provided by the U.S. government to amplify its class fraction interests in China's soybean downstream complex. The mechanisms used were 1) the participation of agri-food transnationals in U.S.-China diplomatic negotiations, 2) the influence of their executives in official and semi-official bilateral

institutions, and 3) campaigns from US government agencies and related associations to promote transnational capitalist interests in China. Through these three institutional approaches, the transnational bourgeoisie has increased its soybean exports to China and has pushed forward its liberalisation agenda.

The first mechanism can be traced back to the U.S.-China rapprochement in the early 1970s when some of the North Atlantic-based TNCs participated in bilateral negotiations that led to the American diplomatic recognition of the PRC. Within the context of this *rapprochement*, both Louis Dreyfus and Cargill signed commercial agreements with the Chinese central agencies even before Deng Xiaoping's launch of economic reforms. Although being the only European player among the ABCD, Louis Dreyfus joined Nixon's official delegation to China in 1972. The following year, the company reached an agreement for cross-border trading of cotton (Louis Dreyfus Group n.d.). In addition to that, Cargill, a close ally of the Nixon government ('IV. Cargill: Harvest of Profits' 1975), began to export Chinese corn and to sell sporadically North American and Australian wheat to China right after the 1972 U.S.-China Joint Communiqué (Cargill China 2019). During the following 20 years, it obtained rights from the Chinese government to use domestic storage and to expand trading relations on agricultural, protein and feed products (Cargill China 2019; Baidu Encyclopedia n.d.; Gao and Huang 2012).

The second way to amplify the transnational bourgeoisie's interests in China was through official and semi-official bilateral agencies. For instance, John L. Holden, the Chief Executive of Cargill in China from 1985 to 1998, became a key figure in the relations between the two countries. In 1997, he also worked as the Chairman of the China American Chamber of Commerce. One year later, he left this position to become the President of the National Committee on the U.S.-China Relations (in office until 2005) (McLarty Associates n.d.). Mr Holden has held talks with Chinese senior government officials since the 1980s and contributed to opening further investment opportunities for Cargill in China (D. Zhou 1998). Between 1992 and 1998, Cargill's investments in China's agri-food sector coincided with the period when Holden occupied the U.S. -China bilateral institutional positions. He lived in Beijing from 1994 to 1998 (D. Zhou 1998), during which Cargill had at least one talk with senior members of the Chinese state council. At that time, Cargill was on its way to becoming one of the leading TNCs in China.

Regarding the third mechanism, relatively vast public information is available to help us draw the North American state's action favouring the transnational bourgeoisie's interests. For instance, since the early 1990s, the U.S. government has coordinated efforts with the ASA,

the country's most representative industry organisation, to increase exports to China and curb China's sales in Asia. In 1990, amidst a sharp decrease in North American soybean exports, the U.S. Congress approved the Soybean Checkoff, an official program to develop American international marketing efforts and to raise its local productivity and profitability of its agribusiness enterprises (Kansas Soybeans Commission 2012; ASA 1999). As part of the same effort, in 1996, the U.S. government approved the cultivation of genetically modified soybean (Dong 2013). To execute the soybean checkoff, the United Soybean Board (USB) funded ASA to carry out marketing lobbies for GM soybean and training programs in China and other strategic countries (ASA 1999).⁴⁹

Since the early 1980s, ASA's newly established representation office in Beijing has conducted programs to encourage the use of soybean meal by Chinese livestock producers.⁵⁰ These programs aimed to boost the Chinese imports of raw and processed soybeans, as well as to discourage China's soybean exports by promoting its use domestically (ASA n.d.; Soybean Digest 1987; cited in Shurtleff and Aoyagi 2016, 2962). Afterwards, following the Soybean Checkoff, the U.S. government increased its support for ASA's activities in China. Accordingly, in 1995, both the ASA and the USB representatives arranged meetings with senior officials from the Chinese government and trade departments (ASA n.d.; Shurtleff and Aoyagi 2016, 2458). Subsequently, they provided a wide range of technical assistance to Chinese feed mills and livestock operations (Dominy 2003). As ASA's news report asserts,

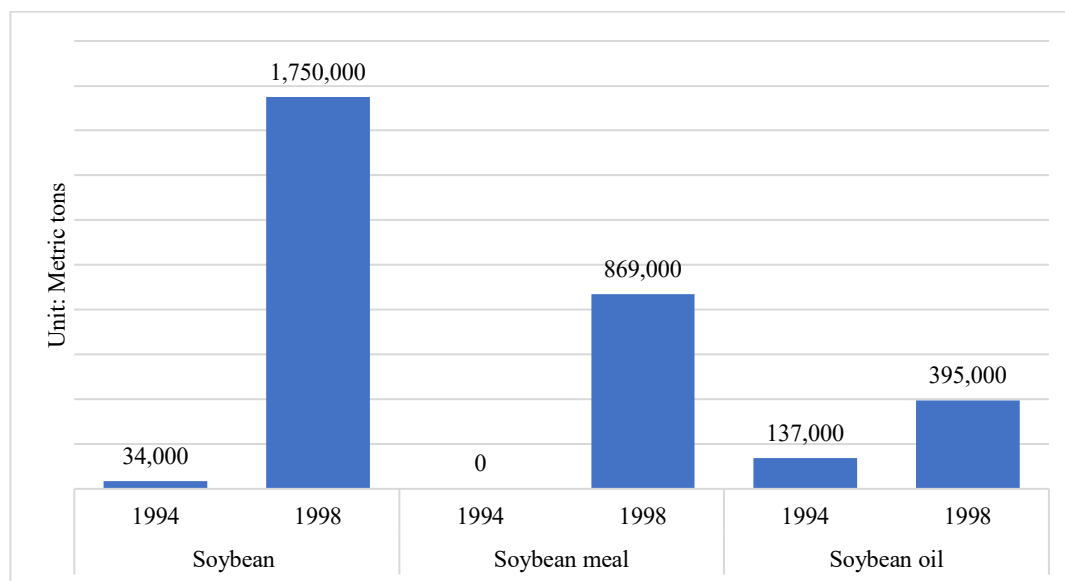
ASA is educating the livestock industry on the quality differences between variances in the cost of livestock or fish production. We want them to understand that as the world's largest supplier of soybeans for high quality, the U.S. should be China's primary source to satisfy its growing demand. (*ASA Today* 1997)

The efforts described above have helped North Atlantic-based agribusiness to expand its access to the Chinese soybean market. As a result, U.S. exports of soybean and soybean products to China rose progressively since the late 1980s (*Soybean Digest* 1988, 68) and then soared from the mid-1990s (Figure 3).

⁴⁹ The USB is a U.S. governing body created to execute the soybean checkoff under the supervision of the United States Department of Agriculture (USDA).

⁵⁰ The ASA sponsored swine feeding trials in partnership with the Chinese government (*Soybean Digest* 1987; cited in Shurtleff and Aoyagi 2016, 2962).

Figure 3: US Exports to China



Source: American Soybean Association (ASA 1999). Data compiled by the author.

2.4.2. Political influence from World Multilateral Institutions

Besides its local interface and engagement in bilateral relations, the transnational bourgeoisie has counted on world multilateral institutions like the World Bank and the World Trade Organisation (WTO) to carry out its liberalisation agenda. China's collaboration with these entities throughout the 1990s has amplified the transnational capitalist influence and played a special role in the government's decision to open up soybean imports.⁵¹

Accordingly, financial institutions led by the U.S. have conditioned their agricultural investments in China – as they have done to other peripheral countries – to commitments to neoliberal reforms. For example, during the early 1990s, the World Bank funded the then-largest program on grain logistics in China (IBRD 2007; McKee 2004, 56).⁵² To implement

⁵¹ In pace with China's economic insertion into the world economy, the central government has adapted progressively China's fiscal structures and private law system to international standards. Although the China-U.S. political relations have deteriorated after the 1989 Tiananmen massacre, China's international integration has allowed it to access multilateral financing mechanisms and to pave the way for its entry into the WTO.

⁵² US\$1 billion was invested in storage and distribution facilities, along with ports and railways.

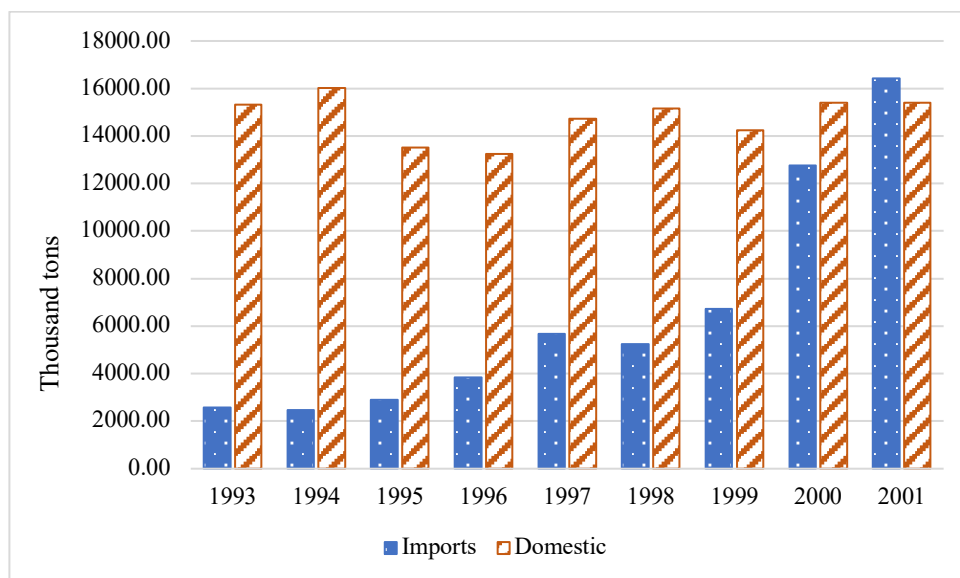
the project, the World Bank demanded commitments from the Chinese government to deregulate grain prices at all levels and liberalise grain markets and cross-border trading, as well as to reduce Government involvement and intervention in the grain sector (IBRD 2007, 67).

The World Trade Organization (WTO), in turn, played an even more prominent role. China's accession to this institution required a dramatic reduction of trade tariffs often negotiated through bilateral agreements between its members. As the PCC leadership sought to boost China's exports and further integrate it into the world economy by entering the WTO (Breslin 2007, 93), this platform gave North American soybean exporters a large room for manoeuvre. For instance, the United States trade representatives at the WTO have received the assistance of the American Soybean Association. Their demands to China included more transparent trading rules and further access to the Chinese soybean market (*ASA Today* 1997; cited in Shurtleff and Aoyagi 2016, 3261). Finally, the Chinese government opted to meet these demands in order to reach an agreement, which was formalised in the November 1999 bilateral talk (ASA n.d.; cited in Shurtleff and Aoyagi 2016, 3460).

As a result, during the following years, the North Atlantic-based agribusiness TNCs would compete almost on equal conditions with Chinese soybean companies, expanding their operations and bypassing the main class fractions from North-east China. Given their position as leading global traders, the agribusiness TNCs dominated the Chinese soybean import market rapidly after its liberalisation. Within three years from when Bunge first ventured into commodity trading in China, it became the largest importer of comprehensive soybean products (Ma 2005, 35). In 2003, Bunge, ADM, Cargill, and Louis Dreyfus controlled approximately 80 per cent of China's soybean cross-border commerce (Yu and Qiao 2008, 59). As imports soared, the domestic soybean agricultural production stagnated (Figure 4). The influx of soybean imports also reduced the profit margins of domestic enterprises and destabilised China's crushing activities (Hsu 2001, 30) (Figure 5).⁵³ Meanwhile, the North Atlantic-based TNCs would no longer face competition in Asian markets as Chinese exports of processed and raw soybeans plummeted (Figure 6).

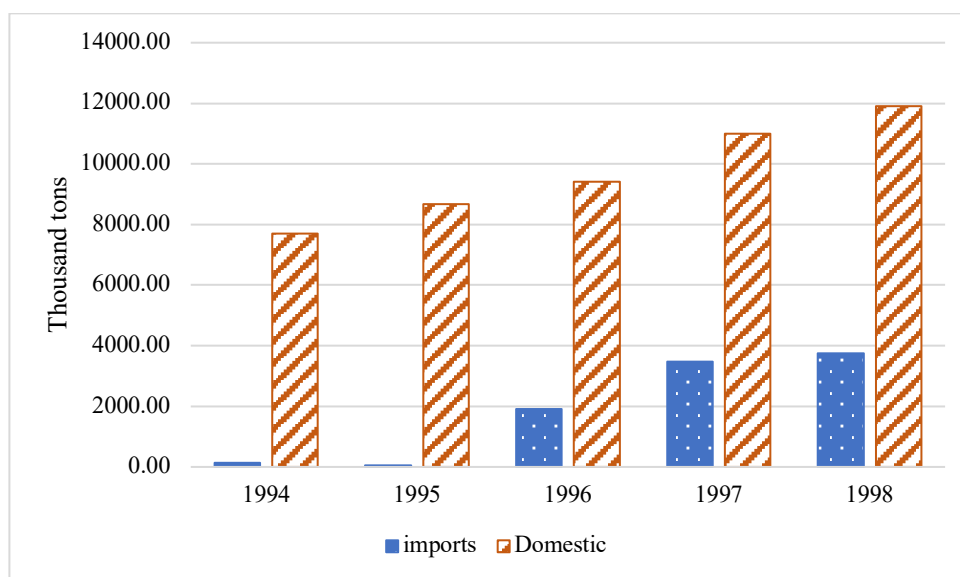
⁵³ Together with the soybean meal decline, the soybean oil extracting and refining, which derives from the crushing process, also fell. Despite being charged with VAT and protected by higher import tariffs, soybean oil imports increased up to 1.7 million tons in 1996/97 and disrupted to a certain extent China's domestic production (Hsu 2001, 30; Gale 2015, 13).

Figure 4: China's soybean production and imports



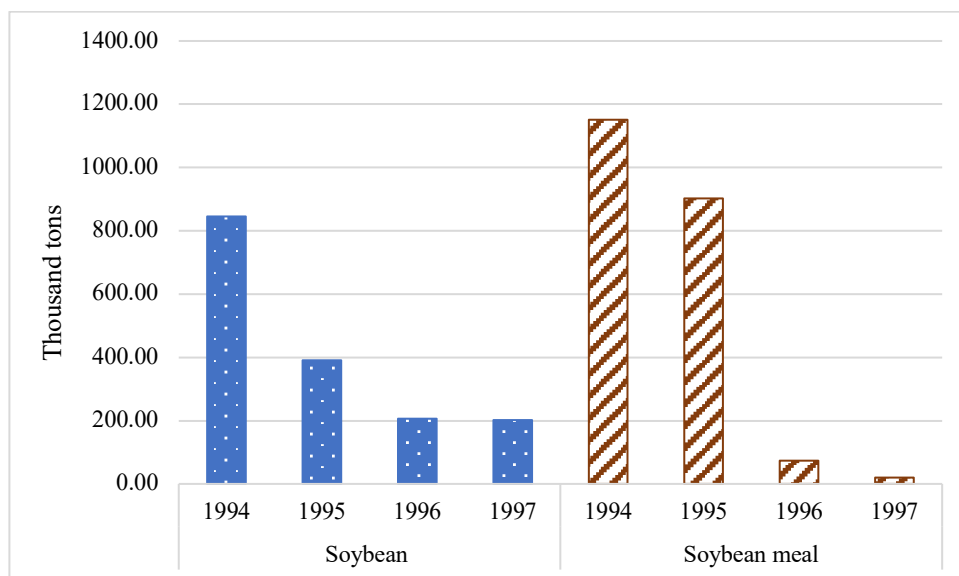
Source: FAO Statistics (n.d.). Data compiled by the author.

Figure 5: China's soybean meal production and imports



Source: BRIC Agri-Info Consulting (n.d.) and FAO Statistics (n.d.). Data compiled by the author.

Figure 6: China's soybean and soybean meal exports



Source: FAO Statistics (n.d.). Data compiled by the author.

2.5. Conclusion

In a critical assessment of the liberalisation of China's soybean market, Yan, Chen, and Ku (2016) reject the idea that this was a consensual state effort for modernisation. They indicate that the liberalisation policy has, rather, reinforced certain forms of capitalist accumulation linked to global agribusiness, which prioritises trade instead of farming and processing. Following their insights, this chapter suggested that China's policy change in the soybean downstream complex in the mid-1990s was the result of a dispute between essentially three main capitalist class fractions who tried to influence the state in their favour.

On the one hand, the state-led bourgeoisie and the national private bourgeoisie relied mostly on the domestic soybean supply and advocated protective policies. They favoured food security governance and stimulus programs for domestic soybean production. Their economic and political influence in North-east China enabled them to expand their accumulation bases by integrating into soybean farming and building local soybean processing infrastructure. On the other hand, the transnational bourgeoisie relied on soybean imports and advocated the integration of China's soybean complex into the world supply chain. The transnational capitalists lobbied in favour of soybean liberalisation through negotiations between China and

the U.S., and in world multilateral institutions. With their liberalisation agenda coming into effect in the late 1990s, U.S. exports to China increased rapidly, and the North Atlantic-based transnationals captured substantial portions of China's trading market.

As I examined the inter-capitalist disputes in the soybean downstream complex, I set a dialogue with Chris Bramall (2007). In line with his critique of the orthodox literature, I argued that even though ADM and Cargill established processing plants following the progressive removal of state control over industrial ownership, they were not immediately responsible for the modernisation of China's soybean processing infrastructure. Instead, the state-led Jiusan and the national private Dalian Hualiang and Dalian Huanong were responsible for most of China's large-scale soybean farming and processing. However, I agree with Bramall's critique of the revisionist literature by indicating that the Maoist legacy has underpinned industrial growth rather than local state corporatism from the late 1980s and early 1990s. This legacy explains the consolidation of an endogenous capitalist accumulation in North-east China based on both spheres of circulation and capital. As China integrated into global circuits of capital through increasing soybean imports, the endogenous accumulation strategy declined.

Chapter 3: New Policies, New Inter-capitalist Disputes of the late 1990s

3.1. The Changing Policies in the Chinese Soybean Downstream Complex

As described in the previous chapter, the opening of Chinese soybean imports made possible the rise of transnational capitalists in the soybean downstream complex. The inflow of imported soybeans allowed the ABCD to make huge profits from increased cross-border trade. However, this chapter indicates that since the late 1990s, neither the Chinese fiscal policies were in line with the transnational capitalist agenda nor the prominence of agribusiness TNCs in the sector remained unchallenged. Accordingly, in 1998/1999, China reimposed import barriers on processed soybean. In contrast with the full-blown liberalisation policy from 1995/1996 (Figure 7), the government set 13 per cent value-added taxes (VAT) on soybean meal and tightened quota imports of crude soybean oil ('Joint Announcement' 2001, 17). In addition to that, upon China's accession to the World Trade Organisation, the State Council agreed to apply a 9 per cent tariff on soybean oil imports by 2006 – which, despite not being a severe disincentive for imports, was still a relatively restrictive rate (Figure 8) (Hsu 2001, 33).

Figure 7: Fiscal policies in China's soybean downstream complex (1995-1996)

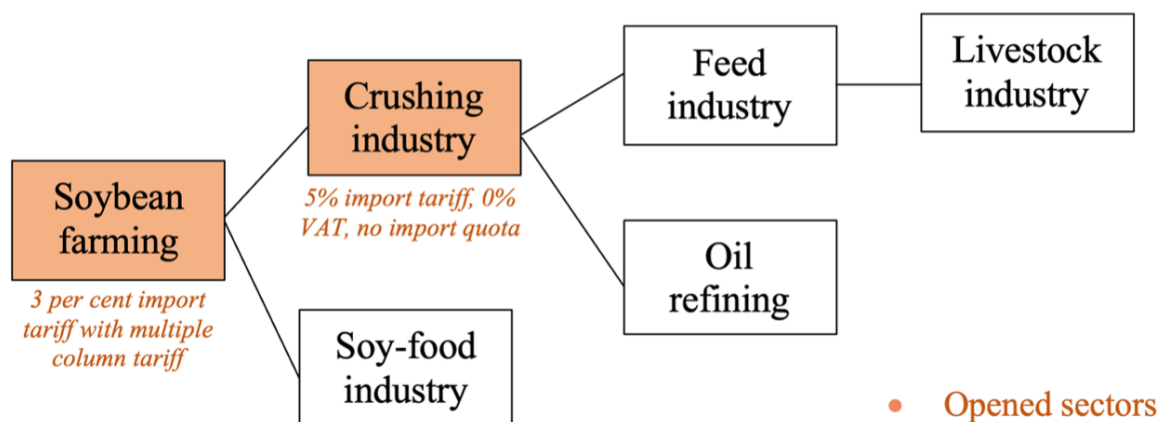
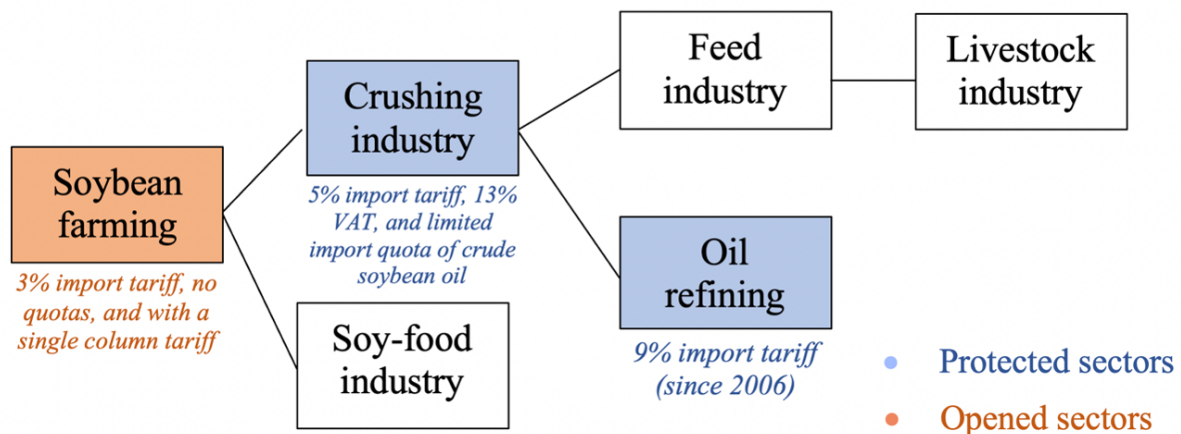


Figure 8: Fiscal policies in China's soybean downstream complex (1998-1999)



Such an erratic policy change from 1995/1996 to 1998/1999 had contradictory effects on the inter-capitalist disputes within the soybean downstream complex. While the first set of liberalisation policies benefited the transnational bourgeoisie (chapter 2), the latter set allowed state-led and national private capitalists to grow beyond the endogenous accumulation in North-east China. As they benefitted from fiscal protection, the state-led Jiusan and the national private Dalian Huanong and Dalian Hualiang expanded their processing capacity in China's central and southern coastal regions and competed with their foreign rivals. Meanwhile, new enterprises represented by these two class fractions, such as Hopefull and Sinograin, invested heavily in import-oriented processing infrastructure, also emerging as prominent players.

Since the state-led and national private recovery depended on their capacity to grow and extract surplus value from the soybean processing industry, this chapter focuses on China's industrial policies during the 1996-2001 period. In order to guide our analysis, section 3.2. revises the literature on state capitalism, highlighting the state/party's role as incubator and fosterer of industrial modernisation under capitalist imperatives while repressing forms of accumulation outside its control. The literature indicates that macroeconomic transformations and administrative centralisation since the mid-1990s have put the central state back in command, reshaping China's economic development.

From this historical approach, section 3.3 analyses the state-led and national private capitalist reaction to the transnational bourgeoisie's headway in the soybean downstream complex. It points out the benefits of centralisation of power and macroeconomic reforms for the political influence of these class fractions, allowing them to expand nationwide. Section 3.4, in turn, analyses the state-led and national private adaptation to the world soybean supply

chain. As their endogenous capitalist accumulation strategy became fruitless, these two class fractions imported increasing quantities of soybean while investing in the import-oriented processing infrastructure. They also increased the extraction of surplus value through labour exploitation and engaged in new processes of capital accumulation in urban centres, such as land dispossession.

I argue that restoring fiscal barriers on soybean meal and oil imports is a consequence of the political influence of state-led and national private capitalists, as they gained momentum throughout the 1990s. However, I indicate that China's integration into transnational circuits of capital and macroeconomic reforms allowed the rise of capitalist class fractions with accumulation strategies that go beyond what is traditionally portrayed by the literature on state capitalism. Hence, other capitalist fractions also benefited from these changes. As section 4.5 explains, the government's straightening economic capabilities during the late 1990s paved the way for Overseas Chinese and other intermediary strata related to the associated bourgeoisie to enter the Chinese soybean downstream complex in collaboration with state institutions. The associated bourgeoisie was positioned as core food processors and traders in East and South-east Asia. Following China's increasing soybean imports, they became investment vectors, often partnering with foreign TNCs. Lastly, section 3.6 indicates that by becoming prominent in the soybean downstream complex, these two companies leveraged capital and expanded worldwide. They became part of the transnational bourgeoisie instead of following a Chinese-centric industrial accumulation (contrary to what is illustrated by the literature on state capitalism) or preserving subordinating comprador links with foreign capital.

3.2. Bringing the Central State Back in the Command

According to the literature on state capitalism in China (Huang 2008; Huchet 2006; Liebman and Milhaupt 2015; L.-W. Lin and Milhaupt 2013; Nolan 2002; Xing and Shaw 2013; Zhao 2015), in the late 1980s and early 1990s, political challenges to the communist leadership at domestic and foreign levels propelled the central government to reimpose its power nationwide.⁵⁴ The 1992 Chinese Communist Party's Fourteenth Congress consolidated Deng

⁵⁴ The domestic level relates primarily to the Tiananmen Square protests followed by brutal police repression in 1989. The foreign level refers to the ideological effects of dismantling the Soviet regime and the political downfall of the Russian Communist Party.

Xiaoping's reform program. It limited the ability of the fractions of capital that sought new opportunities for accumulation independent from the party-state framework. Jiang Zemin's administration (1993-2003) reinforced such policy change by strengthening the central government's regulatory management functions and centralising China's fiscal and taxation systems. Moreover, corporate reforms in the state sector and industrial policies toward urban centres from coastal provinces consolidated giant market-led conglomerates known as national champions (L.-W. Lin and Milhaupt 2013; Nolan 2002). Those conglomerates became the primary vehicle for the CCP to deliver economic growth and consolidate political legitimacy (Huang 2008, 159–60).

According to Nolan (2002), from the mid-1990s onwards Chinese industrial parks led by national champions challenged the economic prominence of foreign capital and became the primary motor of industrialisation. In addition, Gallagher (2005) notices that the state industrial endeavour shifted the Chinese debate on the socialist economy from private versus public to Chinese versus foreign, which generated a consensus in the society over the need to boost competitive domestic players. Moreover, some authors (Q. F. Zhang and Donaldson 2008; Schneider 2016) draw attention to the proliferation of a specific form of agribusiness equivalent to the national champions. These are market-led enterprises, known as Dragon Head Enterprises, that vertically integrate into different agri-food segments through capitalist imperatives of growth. Since the dragon heads were first mentioned in the 1998 Third Plenary Session of the 15th CPC Central Committee, they received systematic state incentives for scaling-up agro-industrial production and sourcing supplies from farmers. When describing the expansion of this form of agribusiness in the livestock industry, Schneider and Sharma (2014) point out that

foreign firms are not the only influence and they are not the sole actors. Industrialization of meat production in China has been a priority of the state, growing from a need to bolster legitimacy by insuring availability of pork, and a belief that large-scale industrial production is the only way to achieve this goal quickly. (Schneider and Sharma 2014, 33)

Following the rise of mega industrial conglomerates, Huang (2008) suggests that China's administrative centralisation and the corporate reforms in the state sector challenged the economic system based on small private entrepreneurship and local state corporatism prominent until the mid-1990s. Accordingly, the government ordered local agencies to transfer financial management functions, such as state trade and logistics, to centrally controlled SOEs. It also created administrative bodies, such as the State Council State-owned Assets Supervision

and Administration Committee (SASAC), to preserve and maximise state assets' aggregate value.⁵⁵ Additionally, with a centralised tax system, the state allocated financial resources to fund state-owned industrial investments and, through the “Hold the Large, Let Go the Small” (zhuada fangxiao) policy, consolidated central (and some local) SOEs as national champions (C. Lin 2021, 140).⁵⁶ Moreover, Andreas (2008) notices that while new state-owned oligopolies replaced the industrial prominence of local state corporatism, the wave of privatization followed by the “Hold the Large, Let Go the Small” policy boosted a private economy through intricate connections with the state in every administrative level. The proximity with the state/party provided them with new channels to obtain contracts, licenses, credit, resources, and markets. Besides, private entrepreneurs relied on the party-state to counter the working class resistance to the reforms (Au 2020, 34), which consolidated an alliance between them and the central political power under the communist leadership – signalled by Jiang Zemin's approval of private entrepreneurs to join the CCP in 2001 (Dickson 2003, 103).

In essence, the literature on state capitalism indicates that China's rural industrialisation after the mid-1990s follows the rise of state-led industrial conglomerates in place of foreign capital and local state corporatists (Chapter 3). This historical perspective serves as a unique standpoint for analysing the state-led and the national private capitalist recovery from a declining endogenous accumulation basis to becoming prominent import-oriented soybean processors. It also serves as a parameter to identify new capitalist fractioning in the soybean downstream complex. Simultaneously, this same perspective is the key for understanding the transnational capitalist investments in processing infrastructure and its alliance with Chinese state trading enterprises.

⁵⁵ The SASAC was created in 2003 and congregated 196 centrally controlled SOEs. It acted as the state shareholder of SOEs' assets and abided to financial targets set by its management bodies (Yingyao Wang 2015). The SASAC structure was subsequently replicated to the provincial and municipal administrative levels, which secured a handful of internationally competitive and highly concentrated local enterprises (Naughton 2006).

⁵⁶ The “Hold the Large, Let Go the Small” policy was formalised in the 5th Plenum of the 4th Party Congress in 1995. It approved the sale, merger, acquisition, or bankruptcy of public firms while introducing market-oriented corporate management and adapting them to a technologically advanced constitution (Bramall 2009, 420–24; Hsieh and Song 2015). From 1998 to 2008, around 80 per cent of all Chinese SOEs were either incorporated into bigger clusters or privatised (Shen, Fang, and Deng 2017).

3.3. The State-led and National Private Capitalist Reaction

As described in the previous chapter, the liberalisation of soybean and soybean products affected the accumulation bases of both the state-led bourgeoisie and the national private bourgeoisie. However, the mid-1990s state reconfiguration described by the literature on state capitalism allowed these two class fractions to build broad alliances nationwide. At the same time, China's industrial endeavour gave them prerogatives to expand their processing capacity beyond the North-eastern region. As a result, drawing from a state-capital relations in China's capitalist development, I argue that the state-led and national private capitalists amplified their class power and partially revoked the liberalisation policy in their favour.

While the state-led and national private capitalist political influence was limited to the local state level in the early reform period, the mid-1990s policy change allowed them to amplify their influence nationwide. The macroeconomic reforms and the strengthening of state guidance in the economy allowed them to restore political dynamism and take advantage of industrial incentives to expand their processing capacity. For instance, the state-led capitalist Jiusan established alliances with new local SASACs to build two large-scale soybean crushing plants.⁵⁷ Meanwhile, the State Council SASAC encouraged centrally controlled SOEs to engage in the soybean processing sector. This was the case of Sinograin, a new state-led capitalist player. Sinograin was founded in 2000 through the corporate restructuring of the old State Grain Reserve Bureau (Sinograin n.d.). With the centralisation of China's state grain reserves, Sinograin became the sole responsible for the reserve's management (H. Liu 2018). Its advantageous position in storage logistics allowed the company to venture into soybean crushing and import logistics.⁵⁸

The national private capitalists, in turn, also gained political influence in other regions. Besides Huanong and Hualiang, new national private capitalists surged in the Chinese coastal areas during the privatisation wave of the late 1990s. These new players – the most relevant

⁵⁷ The two crushing plants call Jiu San Group Tianjin Soya Science & Technology Co., Ltd., and Huiyu Feed Protein (Fangchenggang) Co., Ltd. The first one was established in 2004 in partnership with the Tianjin municipal SASAC and the other was founded two years later in partnership with the Guangxi Zhuang Autonomous Regions' SASAC. Their processing capacity was 5500 and 11000 tons of soybean per day, and the local SASAC shares of their ownership accounted for 11 per cent and 31 per cent, respectively (Baidu Encyclopedia n.d.; Qichacha [Enterprise Investigation] n.d.).

⁵⁸ In 2003, Sinograin built a large-scale soybean processing plant in Dongguan Port in Guangdong province with a daily processing capacity of 3000 tons of soybean. In 2004, Sinograin also launched an Oils and Fats subsidiary to prospect further soybean processing investments.

being Hopefull and Bohai – grew through an intricate relationship with municipal and provincial governments. Most of them were headed by former managers and state officials that took control of state assets after their enterprises were sold out – a process known as the insider privatisation (C. Lin 2021, 140; Ong 2010, 24). The “insiders” often used their former administrative positions to access privileged information and attain favourable negotiating conditions for acquiring local SOEs and Town and Village Enterprises (Li and Rozelle 2003; Ding 2000). Taking Hopefull as an example, it’s founder and main stakeholder, Shi Kerong (石克荣 in Chinese), was the director of a state-owned oil refinery in Gaolou Town, Hebei Province (“Shi Kerong - Baidu Encyclopedia” 2019). When the refinery was privatised, he took control and used its market access and networks to expand his business (see Oliveira 2017: 209). Shi’s success as a soybean processing entrepreneur was coupled with a thriving political career. He ascended from the party secretariat of Gaolou Town in the early 1990s to a representative of the National People's Congress in 2007 (“Shi Kerong- Baidu Encyclopedia” 2019).⁵⁹

Since the mid-1990s, the investments in soybean processing infrastructure by the state-led and national private capitalists received clear political support from the central government and local officials seeking political promotions within the state hierarchy. For instance, the 16th National Congress of the CCP in 2002 and other party instances made explicit their intention to modernise China’s agri-food industry through scientific research on processing technology and equipment (R. Wang 2006, 12).⁶⁰ In 2003, seven state departments and the People's Bank of China jointly issued a ‘provisional measures’ document setting operational and financial criteria for agribusiness enterprises to acquire dragon head status. Those criteria included a high degree of profitability, a high bank credit rating, and a minimum of assets and sales. Most importantly, it stipulated that at least 70 per cent of their products’ value should come from agri-food processing and distribution (Schneider 2016, 6). For those who were granted dragon head status, the central government offered credit and various financial and fiscal incentives to

⁵⁹ Between that time, Langfang’s Municipal Committee nominated him as Vice-Chairman of Sanhe county’s Consultative Conference (CPPCC) for three consecutive years since December 1996 (Baidu Encyclopedia n.d.).

⁶⁰ The most important political statements are the Outline of National Medium and Long-term Science and Technology Development Plan (我国粮油中长期(到 2020 年)科学和技术发展规划的意见和建议), and the Guiding Opinions of the State Grain Administration on the development of grain science and technology during the 11th Five Year Plan (国家粮食局关于“十一五”粮食科技发展的指导意见). Both of them were issued in 2006.

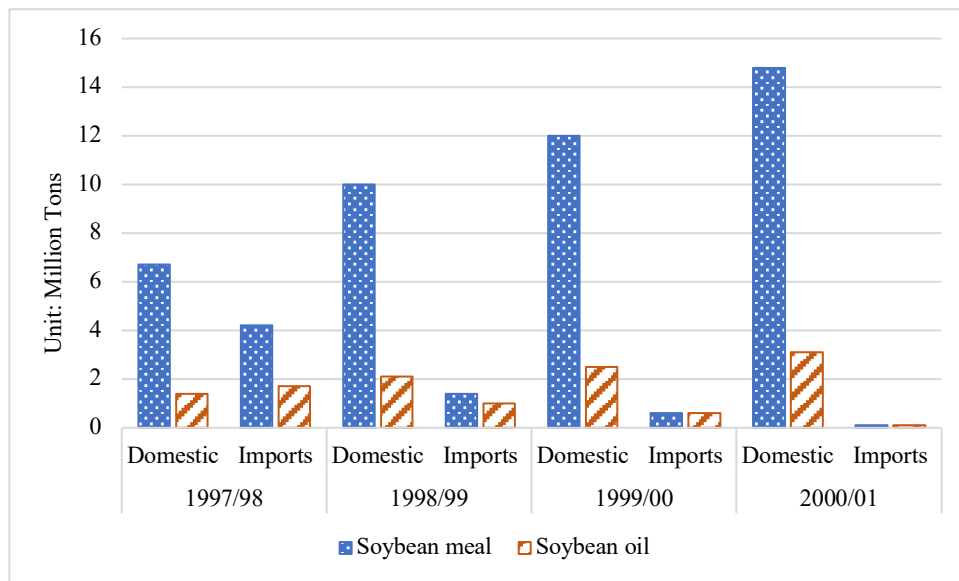
fund the construction and operation expenses of processing facilities and wholesalers of agriculture-related firms (Schneider 2016, 6, 7). Lastly, China's fiscal regime prioritised importing capital goods and raw materials over processing items intended to be produced domestically (Bramall 2009, 389). The average trade tariffs for agricultural products dropped from 40 per cent in 1995, to 32.6 per cent in 1996, and subsequently to 20.4 per cent in 1997 (FAO 1999).⁶¹ Meanwhile, despite the liberalisation of soybean meal and soybean oil in 1996, strategic agro-industrial products were protected by relatively high tariffs (FAO 1999; see also Nogueira 2015).

Given that the accumulation strategy of the state-led and national private capitalist fractions relied on soybean processing industry and given that China's mid-1990s policy change amplified their power nationwide, I assume that these two class fractions influenced and benefited from the restoration of fiscal barriers on soybean meal and soybean oil imports. My assumption is in line with the state-capitalist theoretical approach, which takes China's rural industrialisation as a result of strengthening central state guidance. It is also in line with Poulantzas' (1976; 1978) and Jessop's (1990) state analyses, which identify capitalist states as a space for class struggle (Chapter 1).

As a result of the state-led and national private political influence, new protectionist fiscal policies promoted unprecedented growth in the Chinese soybean processing sector (Hsu 2001, 30). Soybean meal production doubled its size from 1997/1998 to 2000/2001 while imports dropped from 4.2 million tons to nearly zero. China's soybean crushing growth also stimulated soybean oil production and almost eliminated its imports (Figure 9).

⁶¹ Besides soybean, cotton, and log timber trading tariffs were remarkably low (FAO 1999).

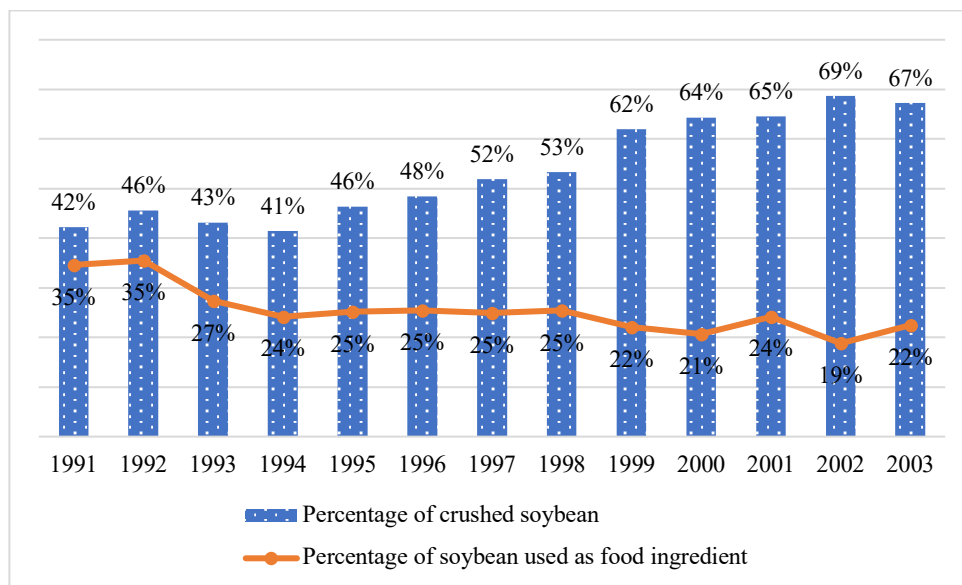
Figure 9: China's domestic production and imports of soybean meal and soybean oil



Source: U.S. Department of Agriculture, World Agricultural Supply and Demand Estimates, October 12, 2001, cited in Hsu (2001, 30).

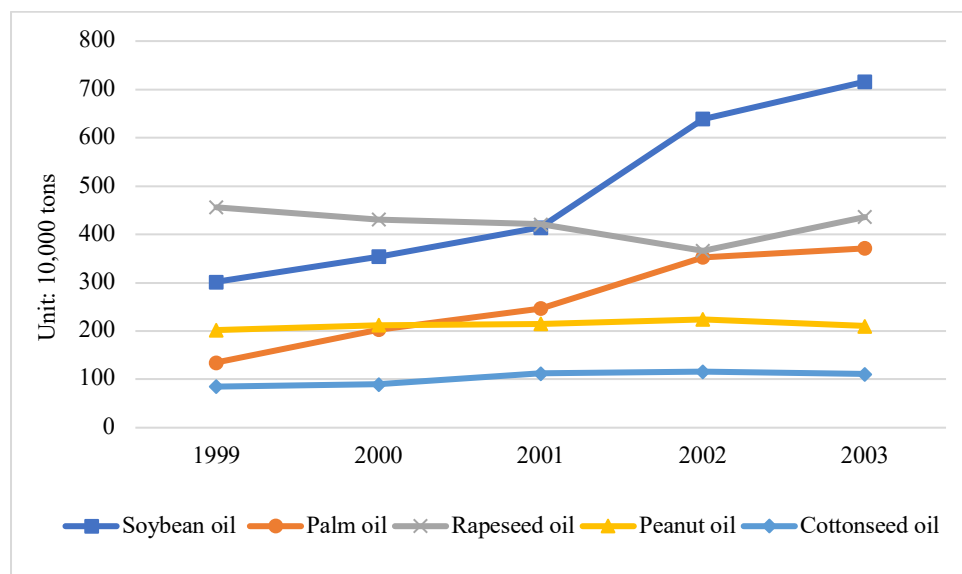
Finally, the new fiscal policy made China's crushing industry – that the state-led and national private capitalists relied on – become a core segment of the soybean downstream complex. From the late 1990s onwards, the share of soybeans used as raw material for crushing increased rapidly. Whereas its average share was 47 per cent between 1991 and 1998, it reached 69 per cent in 2002 (Figure 10). As a sub-product of soybean meal, soybean oil became increasingly popular in China. With the new fiscal protection, soybean oil consumption went far beyond its traditional market niche in North-east China, becoming China's leading vegetable oil since 2002 (Figure 11). This new scenario allowed the state-led bourgeoisie and national private bourgeoisie to regain strength and counter the transnational capitalist offensive in the soybean downstream complex.

Figure 10: Soybean usage in China (1991-2003)



Source: BRIC Agri-Info Consulting (n.d.). Data compiled by the author

Figure 11: China's edible oil consumption (1999-2003)



Source: The National Grain and Oil Information Centre of China's Ministry of Agriculture, extracted from Y. Wang (2010, 2).

3.4. The State-led and National Private Capitalist Adaption

The recovery of the state-led and national private capitalist fractions in the soybean downstream complex followed a restructuring of their accumulation strategy. Such restructuring was accomplished in two ways: First, the overflow of imported soybeans in the Chinese market propelled them to transfer most of their processing capacity to coastal cities and integrate progressively into the global soybean supply chain. Second, urban bias policies reinforced their capacity to extract industrial surplus value from soybean processing throughout the mid-1990s' privatization and state sector corporate reforms.

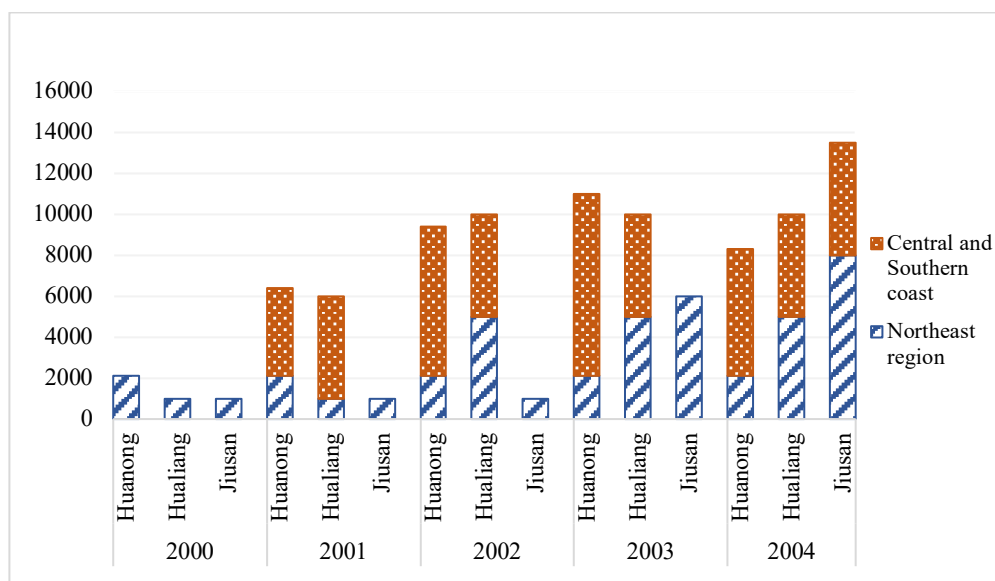
Regarding the integration of state-led bourgeoisie and national private bourgeoisie into the global supply chain, these two class fractions expanded their soybean processing capacity while partially adjusting their processing infrastructure to soybean imports. Accordingly, Jiusan's new crushing plants in Tianjin and Guangxi were established in the Tianjin Free Trade Pilot Area and the affluent port of Fangchenggang, respectively. Meanwhile, its crushing plants in the North-eastern region began to alternate between domestic soybean supply in the November-March harvest season and soybean imports during the rest of the year (J. Zhang 2018).⁶² As for the national private capitalists, during the early 2000s Dalian Huanong opened four soybean crushing plants in the coastal provinces Guangdong, Jiangsu, and Hebei (X. Jiang 2005, 74).⁶³ Dalian Hualiang, in turn, opened its biggest crushing plant in the import-oriented province Fujian (Y. Jiang 2010).⁶⁴ By 2004, more than half of the soybean processing capacity of these two companies and the state-led Jiusan were located outside the North-east region (Figure 12). Due to their outwards move, coastal provinces in central and southern China concentrated more than 75 per cent of the country's soybean crushing capacity in 2006, among which 90 per cent relied on imported soybean supply (Q. Guo 2008, 3).

⁶² This information was confirmed to the author by the interview with Zhou Li (Professor of Agriculture and Rural Development of Renmin University at the Renmin University), Brasília, 14 November 2018.

⁶³ These are Dongguan Huanong Oils and Fats, Zhanjiang Huanong Feed Protein Development, Nanjing Huanong Oils and Fats, and Bazhou Huanong Oil and Fats.

⁶⁴ The crushing plant called Fujian Jinshi and had a daily soybean processing capacity of 5000 tons. Besides this facility, Dalian Hualiang also established a smaller one in the inner province Sichuan called Sichuan Jinshi.

Figure 12: Processing capacity of Hualiang, Huanong, and Jiusan



Data compiled by the author on the bases of Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.).

As the state-led and national private capitalists from North-east China had organic links with local soybean production areas, shifting their accumulation strategy was not automatic. It was instead an adaptation process that contradicted some of their class interests. That was particularly the case of state-led Jiusan, whose parent company was the large-scale soybean producer Heilongjiang Beidahuang Land Reclamation Group. In an interview with the Chinese Cereals and Oils Processing Magazine, Jiusan’s Chairman Tian Renli (田仁礼 in Chinese) admitted that

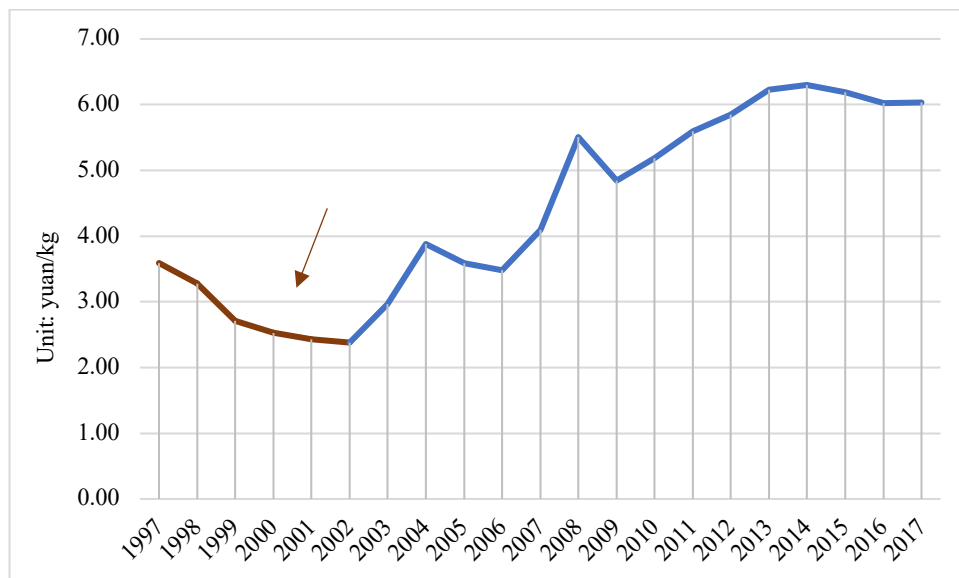
in order to survive, we have to build factories along the coast and process imported soybeans (...). In fact, I have always disapproved of importing large quantities of foreign soybeans. The reason for building a large-scale crushing plant in Tianjin to process imported soybeans is mainly to react to the competition of multinationals. (Du 2006, 8)⁶⁵

Even though, by adapting their accumulation strategy to Central and Southern coastal regions, the state-led bourgeoisie and national private bourgeoisie could take advantage of cheap soybean supply. For instance, the overflow of imported soybeans provoked a significant price drop from 3.28 RMB in 1997 to 2.28 RMB in 2002 (Figure 13), which significantly

⁶⁵ Translated by the author from the original “之所以在天津建设一座加工进口大豆的大型榨油厂，主要是面临跨国公司的打击 (...) 为了生存，我们不得不也到沿海去建厂，加工进口大豆。”

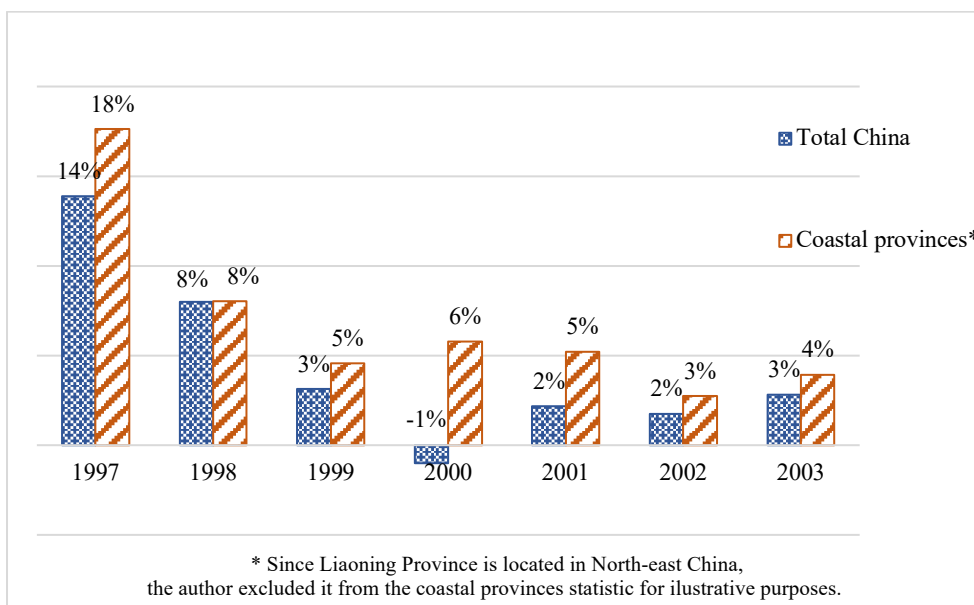
reduced the production costs of Chinese soybean processing plants. These two class fractions also benefited from large state investments in ports and railways of coastal provinces – which contrasted with the overloaded transportation system of inner regions (McKee 2004). Those investments reduced soybean import costs and further encouraged them to invest in coastal regions. Lastly, the state-led bourgeoisie and national private bourgeoisie also benefited from increasing meat consumption and production in the region. Accordingly, during the late 1990s and early 2000s, the livestock industry from coastal provinces grew more rapidly than that from inner provinces, including the North-eastern region (Figure 14). They were boosted by a growing urban consumption that reached 33 Kg per person in 2005 (Figure 15). All of that contributed to expanding the sales market of the state-led and national private capitalists.

Figure 13: China's Soybean Annual Prices



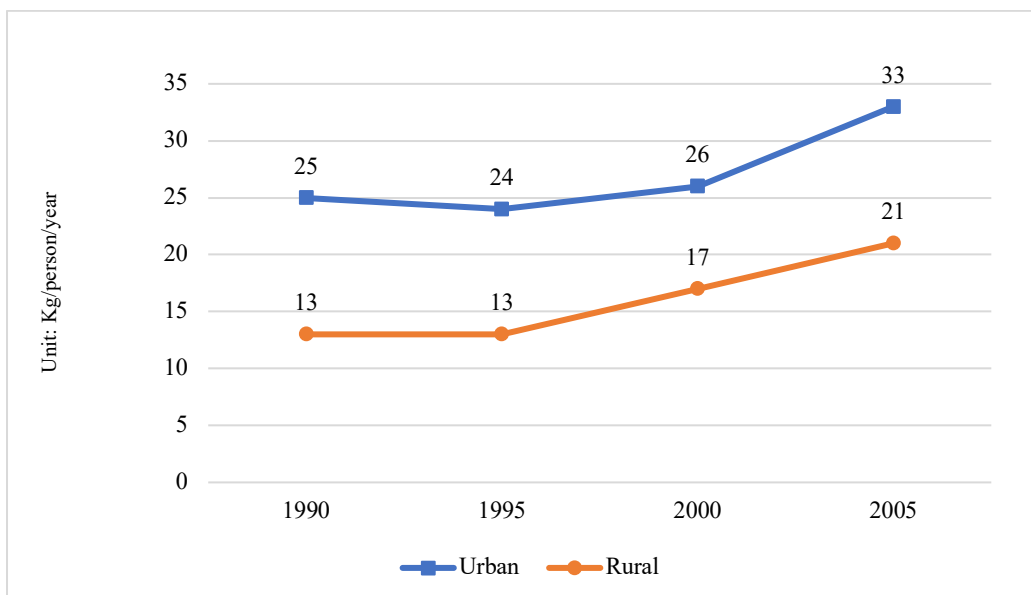
Source: 'China Yearbook of Agricultural Price Survey' (2018). Data compiled by the author.

Figure 14: Pork breeding growth in coastal provinces compared to China's total growth



Source: BRIC Agri-Info Consulting (n.d.). Data compiled by the author.

Figure 15: China per capita meat consumption (right image)



Source: National Bureau of Statistics of China, extracted from S. Jiang and Ferguson (2015, 6).

Data compiled by the author.

Moreover, the urban bias policies and mid-1990s macroeconomic reforms allowed state-led and national private capitalists to expand through new accumulation opportunities in coastal cities. Most of these were opened by the 1994 fiscal reform, which concentrated tax

revenues to the central level while leaving provinces and municipalities responsible for most social expenditures. To increase revenues, local officials often converted rural property to urban property and sold-out public assets. Through property conversion agreements, they raised funds and collected taxes from new industrial and commercial businesses – whose rates were higher than rural taxes (Bernstein and Lü 2000; Tao et al. 2010).

With the progressive deregulation of the urban housing stock market, those agreements became a new vehicle for capitalist expansion through rentier strategies of accumulation, similar to strategies that Vergara-Camus (2021; 2018; Vergara-Camus and Kay 2017) derives from the access to ground rent (Chapter 1). Local officials and SOE executives enriched progressively by developing real estate business and transferring converted land property through corruption schemes to private firms – which, by 2006, provoked the removal of approximately 70 million people, often receiving inadequate compensation (Andreas 2008; Au 2012). This is the case of Sui Fengfu (隋凤富 in Chinese), the Communist Party secretary in Heilongjiang Provincial State-owned Farms Administrative Bureau and chairman of Jiusan's parent company Beidahuang. Between 2003 and 2014, his wife Deng Yongqin (邓永琴 in Chinese) and he obtained 10.4 million yuan (1.6 million US dollars) with bribes, cash, and gifts related mostly to land transfer operations (China Daily 2016; Hu 2016; Shanghai Daily 2015; The Global Times 2016).

State-led and national private capitalist enterprises leveraged capital and grew by accessing the state and benefiting from politically acquired property rights. For many years since its foundation, Jiusan's parent company Beidahuang made frequent land transfer operations in Heilongjiang province (China Edible Oil Information Network 2014). For example, between 2011 to January 2012, amid China's real estate boom, Beidahuang received 976 million yuan through business deals with five real estate companies, equivalent to 17.31 per cent of the company's net assets in 2010 (Hu 2016). As for the national private capitalists, there are indications that Shi Kerong, the founder and main shareholder of Hopefull, used land transfer operations to secure bank mortgages and venture into the property market. A news report from the official media Renmin Daily suggests that between 2004 and 2010, the Sanhe Land and Resources Bureau of Hebei Province transferred approximately 110 hectares of land assets to Hopefull Group (Xiao 2011). Since part of Hopefull's new land plot was not used for operations related to soybean processing, the report assumes that it served as real estate speculation and bank mortgage (Xiao 2011).

Besides land dispossession, state-led and national private capitalist enterprises became fast vehicles to form great fortunes through ownership reforms. In the state sector, ownership diversification and corporate management shifted SOE's mission from delivering public goods to obtaining profits (Wang 2015, in Nogueira 2017, 13). The private sector, in turn, benefited from more flexible forms of corporate organisation and strengthened private property rights (Kroeber 2016, 105; Milhaupt and Zheng 2015, 178). Therefore, the state-led Jiusan introduced corporate ownership by opening mixed capital and joint stock subsidiaries and engaging in diversified profit-seeking businesses through state-private joint ventures. As a result, Jiusan's executives were able to take leading positions in multiple subsidiaries, from where they strengthened their administrative power and gained super salaries. Meanwhile, private investors linked to Jiusan took leading roles in its management body and acquired large stakes in its subsidiaries. The most emblematic case is Guo Yanchao (郭彦超 in Chinese), who became Jiusan's most significant individual investor and took the company's vice presidency and directorial positions in several subsidiaries ("Guo Yanchao," 2018a; "Guo Yanchao," 2018b). Guo had previous expertise in working with Chinatex and the transnational capitalist Noble Group, which might have helped Jiusan introduce a corporate management approach similar to its competitors.

In addition to the ownership reforms, the process of commodification of labour in China allowed state-led and national private capitalists to compete with their transnational rivals by enlarging the extraction of surplus value in the soybean processing industry through labour exploitation. Whereas the opening of special economic zones during the initial phase of China's economic reforms (1979-mid 1990s) gave the transnational bourgeoisie exclusive rights to apply capitalist relations of production (chapter 2), the mid-1990s reforms expanded those rights nationwide. The state-led and national private capitalists benefited from the cheap provision of migrant labour and the abolition of socialist workers' organisations in the cities.⁶⁶ As migrant workers adapted to a competitive environment, with suppressed wages, restricted social benefits, and corporate authority and supervision, these two capitalist class fractions could extract industrial surplus value at will.

As a result, state-led and national private capitalist enterprises expanded their processing capacity in the soybean downstream complex and achieved record revenues and

⁶⁶ Rural exodus results from the processes of decollectivisation and commodification of land during the 1980s and 1990s. Moreover, the depreciation of rural labour due to urban bias policies propelled the cheap migrant labour provision in Chinese urban centres (Ye 2015; Ye et al. 2017).

profits. By 2005, Dalian Huanong, Jiusan, and Hopefull figured among China's top 500 with the largest revenues (Baidu Encyclopedia n.d.; F. Wang 2006). Meanwhile, after putting into operation its large-scale crushing facilities in the import-oriented Tianjin in 2004 and Guangxi in 2007, the state-led Jiusan became the third larger soybean processor, with a daily processing capacity of approximately 18,500 tons. In turn, in 2003, the national private Dalian Huanong and Dalian Hualiang reached a processing capacity of approximately 11,000 tons per day, and the new national private Hopefull became a leading soybean crusher in Hebei province, with a daily processing capacity of 7,000 tons (X. Jiang 2005, 74; Ma 2005, 11).

3.5. The Rise and Transformation of the Associated Capitalist

The new accumulation strategy of state-led and national private capitalists provoked changing effects on the Chinese soybean downstream complex's inter-capitalist relations. By abandoning their traditional endogenous accumulation strategy and integrating into the global soybean supply chain, these two class fractions became progressively dependent on global supply chains controlled by transnational capitalist rivals. As so, the Chinese soybean downstream complex has fully integrated into global circuits of capital, becoming vulnerable to price variations, and following trading standards set by the Chicago Board of Trade (CBT). At the same time, the state-led bourgeoisie and national private bourgeoisie challenged the prominence of transnational capitalists by benefiting from new processes of capital accumulation under state support, which consolidated a new industrial hub in coastal provinces.

This new political and economic scenario sparked a heterogeneous class division often ignored by the literature on state capitalism. This phenomenon finds theoretical scrutiny in the Marxist concept of uneven and combined development: As China interacts with the world economy, its industrial catch-up internalises global contradictions, provoking profound class ramifications (Chapter 2). For instance, the increasing soybean imports and the consolidation of coastal soybean processing allowed the rise of capitalist class fractions with different accumulation strategies. One of the most emblematic examples is the growth of enterprises related to the associated bourgeoisie. This class fraction's role as trading intermediaries and agri-food processors in Asia and South-east Asia turned its companies into key investment vectors for China. In addition, the history of years of collaboration with the Chinese state gave the associated capitalists further political support to establish trading contracts and build processing infrastructure in China. The following subsections will analyse the economic and political aspects of their rise.

3.5.1. Accumulation Strategy and Class Interests of the Associated Bourgeoisie

As described in chapter 1, the associated bourgeoisie derives from Overseas Chinese and other commercial intermediaries in China. Although these strata lost formal influence during the Maoist era (1949-1978), the rise of East and South-east Asian economies gave them political and economic centrality overseas. They developed comprador links within the global imperialist trading regime and spread into a series of economic segments. They intermediated the Japanese subcontracting system and brokered the growing U.S. investments in the region, among other activities (McVey 1992, 165; Wu 1980; cited in Arrighi 2009).

In the soybean commodity chain, the Kuok family (郭 in Chinese) is an emblematic example. These are Chinese expatriates that moved from the Southern Fujian Province to British Malaya in the first half of the twentieth century. In 1949, after long years working with foodstuff distribution, three brothers and a cousin of the Kuok family founded their own agricultural commodities trading company, called *Kuok Brothers*. In the following years, the Kuok Brothers grew by exporting Indian rice to Japan and, afterwards, by running a joint venture for sugar manufacturing with two prominent Japanese entrepreneurs (Kuok 2017). With the increasing consumption of animal protein in East and South-east Asia, the Kuok family and other Overseas Chinese ventured into the soybean commodity chain. Already in the early 1980s, the Kuok Brothers started producing soybean meal for animal feed and soybean cooking oil.⁶⁷

Since the 1970s, the rapid economic growth of East and South-east Asia allowed the Overseas Chinese to integrate into industrial capital and constitute among the region's core capitalists (McVey 1992, 165; Wu 1980; cited in Arrighi 2009). For example, the Kuok family expanded its processing assets and engaged in various segments of the agri-food industry. Brothers launched huge investments in palm kernel processing and palm oil refining in North Sumatra and Indonesia (Wilmar International 2017).⁶⁸ Meanwhile, Kuok Khoon Hong (郭孔丰 in Chinese), a member of the Kuok family, left the Kuok Brothers Group to co-found

⁶⁷ The company built up a crushing plant and three oil refineries in Malaysia (Wilmar International 2017)

⁶⁸ Such as palm oil milling, oleochemicals, biodiesel, copra crushing, and flour milling (Wilmar International 2017).

Wilmar International. Its founding partner, Martua Sitorus, was a Chinese Indonesian businessman expert in palm oil trade – who became known as the “king of palm oil” in Indonesia (Chinese Business Leaders’ Hall of Fame 2015; Chanjaroen and Mellor 2013).⁶⁹ Like the Kuok Brothers, Wilmar International expanded rapidly and became a leading player in oilseed processing and refining, particularly in the palm oil agribusiness.⁷⁰

With the opening of the Chinese soybean market and other sub-sectors of China’s agri-food market throughout the 1990s, the Overseas Chinese were able to reestablish trading links with mainland China. The Kuok family, who had a subsidiary in Hong Kong called Kerry Holdings, began to export Chinese sugar and rice to Indonesia and to sell its own products in the Chinese market (Kuok 2017). After Kuok Khoon Hong split with the rest of the family, his new company, Wilmar International, created a subsidiary called Yihai (益海 in Chinese), which also targeted the Chinese agri-food market (Chinese Business Leaders’ Hall of Fame 2015).⁷¹

During this period, some intermediary strata not related to Overseas Chinese also began to build trading networks with China. This was the case of the Hong Kong-based commodity trader, Noble Group, whose founder and main shareholder (until 2018) was Richard Elman, an English entrepreneur who ran a small steel supplying business in Hong Kong (Farchy 2018a). In 1987, he founded Noble Group in a consortium with some Anglo-European mineral and energy commodity investors and traders (Green and Hervé 2006, 9; Oliveira 2017, 319). In the early 1990s, the new company ventured into agribusiness with an initial investment in cocoa planting and trading (McFarlane et al. 2012). Alongside the Overseas Chinese, Elman’s company became a key intermediary between China and the region’s agri-food trade system.

Given that the associated bourgeoisie already had productive bases and business experience in the world soybean commodity chain, the liberalisation policies have put them in an advantageous position to launch direct investments in China. As the centre of economic gravity in the region has shifted towards China with the strengthening of state guidance in the economy in the 1990s, such investments became the associated capitalists’ primary frontier of accumulation. Accordingly, during the 1990s both the Kuok Brothers’ subsidiaries and Wilmar

⁶⁹ Wilmar International was formally established in 1991.

⁷⁰ Wilmar International acquired farmland and built large oil refineries in Sumatra and South-east Asian countries and Europe and became a leading palm oil trader. (Chinese Business Leaders’ Hall of Fame 2015). Afterward, it expanded its business to other regions by building refineries and logistics in other South-east Asian countries and Europe (Wilmar International 2017).

⁷¹ Yihai was formally established in 2000.

International's subsidiaries in China (Kerry Holdings and Yihai) became their most important world branches (Kuok 2017; The Kuok Group 2018). The Kuok Brothers' subsidiary, Kerry Holdings (嘉里 in Chinese), became a pioneer logistics and service provider for grain production in mainland China (The Kuok Group 2018).⁷² Meanwhile, Wilmar International's subsidiary, Yihai, built large-scale soybean meal and soybean oil production lines in the country. In turn, Richard Elman's Noble Group consolidated its agri-food business by establishing in 1998 a specialised subsidiary in Hong Kong, called Noble Agri. From then on, this company diversified into various segments of the agri-food industry, including soybean processing and trading (McFarlane et al. 2012).

4.5.2. The political influence of the Associated Bourgeoisie

As Chapter 1 outlines, while preserving comprador links with foreign capital, the associated capitalists have developed a symbiotic relationship with the Chinese state. Such a relationship was underpinned by a favourable political approach by Overseas Chinese families, like the Kuoks, and other intermediary strata, like Richard Elman. As a result, the associated capitalists gained enough political support to grow in the Chinese soybean downstream complex throughout the 1990s' macroeconomic reforms.

Regarding the Overseas Chinese families, although they lost their economic and political influence during the Maoist revolution, many of them have preserved family ties with Chinese nationals and maintained a common cultural identity (Chossudovsky 1986, 140–41). This enabled them to regain political support in the 1990s. Meanwhile, part of the state bureaucracy made efforts to attract Overseas Chinese. They instrumentalised these strata to achieve economic growth and expand China's access to the "outside world," as this message of congratulation to the 2001 Chinese Entrepreneurs Convention in Nanjing by Chairman Jiang Zemin makes evident:⁷³

The overseas Chinese worldwide have for long lived in harmony with the local people. Thanks to their diligence and talents, they have contributed greatly to the local economic development and social progress and played a positive role in promoting

⁷² Before investing in mainland China, Kerry Holdings already held business in hotel management and property business in Hong Kong.

⁷³ The "Chinese Entrepreneurs Convention" was one of the main political gatherings of the Overseas Chinese Diaspora. The first convention was organised in August 1991 in Singapore, sponsored by the Singapore Chamber of Commerce. Afterward, it was held every two years in alternated places, such as Hong Kong, Bangkok, Vancouver, and Melbourne. From 2001 onwards, the Chinese Entrepreneurs Convention was hosted in mainland China (Heartfield 2005).

trade, scientific and technological cooperation and friendly exchanges between China and the countries or regions they reside in. The vast number of overseas Chinese constitute a major force promoting China's opening-up and participating in China's economic development. ("Full Text of Jiang's Message to World Chinese Entrepreneurs Convention," 2001; cited in Heartfield 2005, 196)

With some political support, the overseas Chinese were able to establish preferential relationships with Chinese officials, particularly at the provincial level. For instance, the Kuok family – whose businesses in China were disrupted during the Cultural Revolution (1966-1976) (The Kuok Group 2018; Kuok 2017) – established a close interface with several city governments. From this relationship, they amplified their class fraction interests and expanded their production capacity in China. For instance, from the mid-1990s to 2003, one-third of Yihai's (Wilmar's subsidiary) and Kerry's (Kuok Brothers' subsidiary) new soybean crushing assets were built in partnership with local State-owned Assets Supervision and Administration Commissions (SASACs).⁷⁴

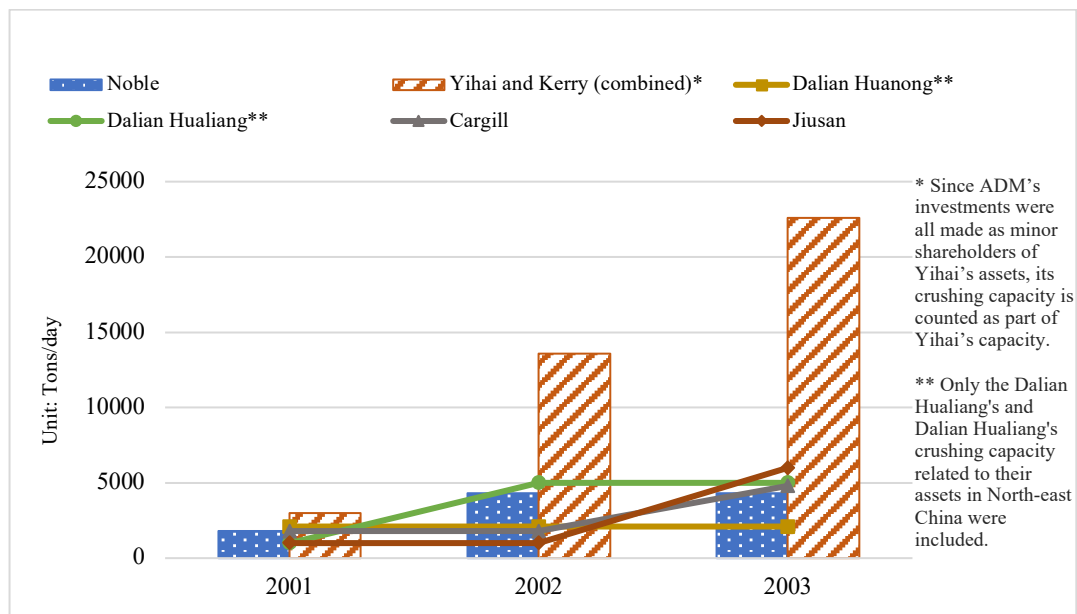
Regarding the Hong Kong-based Western intermediaries, some of them have developed a "trustful" relationship with Chinese trading agencies outside mainland China (see Chapter 1). These agencies were mostly based in Hong Kong and often relied on those commercial intermediaries to trade with capitalist countries (Chapter 5). Noble's founder, Richard Elman might have taken advantage of such an advantageous position to gain political support in China.

The associated capitalists' connections with the state allowed both strata (Overseas Chinese and Hong Kong-based intermediaries) to expand rapidly throughout the opening up of China's soybean market. Noble Agri acquired a soybean crushing facility with 1800 tons/day capacity already in 1994 and built up an even larger one in 2002.⁷⁵ Meanwhile, the company expanded its trading business rapidly. By the late 2000s, Noble became Asia's biggest commodity trader, with increasing shares in China's soybean import market (Sheppard and Hume 2016). The Kuok's Yihai and Kerry, expanded rapidly their crushing capacity becoming China's leading soybean meal producers (Figure 16).

⁷⁴ These were Yihai (Yantai) Cereal & Oil Industry Co., Ltd., in Shandong Province, Yihai (Lianyungang) Cereal & Oil Industry Co., Ltd., in Jiangsu Province, and Yihai Kerry (Yueyang) Oils & Grains Industrial Co., Ltd., in Hunan Province.

⁷⁵ These were Longkou Xinlong Edible Oil Co., and Chongqing Xinfu Food Co.

Figure 16: Soybean crushing capacity of the following enterprises:



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.

3.6. From Associated Bourgeoisie to Transnational Bourgeoisie

Part of the literature believes that post-Mao China's economic attraction for the Overseas Chinese and other intermediary strata allowed these groups to get rid of the Western imperialist dominance. For instance, Heartfield (2005) consider that their penetration into the Chinese productive system replaced the old comprador links with a Chinese-centric form of accumulation:

As expatriate capital combined with mainland production, a curious transition was taking place. The unique geographical division between the comprador capitalists and their hinterland was breaking down — not necessarily to the advantage of the old “concession”- modeled ports. (Heartfield 2005, 210)

Heartfield's assumption follows an understanding of China's capitalist class formation on the bases of a homogenous state-driven industrialising project, similar to the state capitalism approach. However, as Chapter 1 points out, the return of Overseas Chinese and other intermediary strata to China has initially preserved the old comprador links with imperialist capital – which marks one of the main characteristics of the Associated Bourgeoisie. With the

integration of the soybean downstream complex into transnational circuits of production and consumption, the associated capitalists constituted a core channel for the North Atlantic-based TNCs to establish joint ventures, break trade contracts, and obtain credit operations in China. The growing influx of imported soybean made some representatives of the associated bourgeoisie coalesce with transnational agribusiness interests as they depended more and more on the world soybean supply chain when investing in Chinese processing infrastructure.

For instance, Wilmar International established trading agreements with ADM to buy part of its soybean exports from North America and Brazil (Grain 2016). Moreover, in 1994 Wilmar sold 20 per cent of its shares to the American transnational and established the Yihai Group with ADM in the United States (Chinese Business Leaders' Hall of Fame 2015; Wikipedia n.d.; Wilmar International 2017, 1). Such a symbiotic relationship turned Wilmar International into ADM's main channel of investment in China. Therefore, all of ADM's soybean crushing plants in China were built in partnership with its Singaporean counterpart.

However, the late 1990s' new political scenario neither pulled Wilmar International into a Chinese-centric form of accumulation – as Heartfield (2005) would suggest – nor preserved a submissive stand to imperialist capital. Despite developing interconnected relations with ADM, the company maintained a semi-autonomous ownership structure and growth strategy. Moreover, far beyond turning into a local branch of its American partner, Kuok's and Sitorus' company became a leading global player. A similar phenomenon occurred in Richard Elman's company. Noble Group emerged from a small commercial intermediary to become the largest commodity trading company in Asia and an important world agri-food producer (*Cereals and Oils Processing* 2006). Wilmar's and Noble's rise has transformed them into a member of the transnational capitalist fraction. They replicated the forms of capital accumulation led by North Atlantic-based transnationals and expanded on a comparable scale.

Their changing capitalist accumulation and class structure are intimately related to the continued liberalisation of raw soybeans and the state-driven industrial growth during the late 1990s. Notably, with the consolidation of an import-oriented soybean processing hub in China, the two associated capitalist companies took advantage of their inter-regional production bases to capture a significant portion of the domestic soybean trade and processing. Due to their background as influential Overseas Chinese and Hong Kong-based intermediaries, Wilmar and Noble have dispersed their production bases and trading network throughout several East and South-east Asia countries, which has served as a trampoline for their later investments in China. For instance, during the 1990s, Wilmar International expanded its business through acquisitions in Indonesia, Malaysia, and other neighbouring countries. In turn, Noble Group

has taken over part of the market share that once belonged to Andre & Cie SA. Richard Elman's company bought over Andre's agricultural trading departments in Asia in 2000, when the Switzerland-based trading giant was about to go bankrupt (Green and Hervé 2006, 9).

The interregional expansion of Wilmar International and Noble Group allowed them to obtain hegemonic control over commodity chains centred in Asia, such as Palm Oil. Their regional power was often a bargaining chip in their relationship with transnationals with whom they initially maintained comprador links. For instance, Wilmar International has guaranteed soybean supply from ADM by offering to its American partner, in exchange, preferential purchasing rights of its palm oil production in Asia (Grain 2016). After assuring a stable soybean supply, the Singaporean-based company was able to manipulate prices and expand in the Chinese soybean processing sector. For instance, between 1993 and 1994, when soybean world prices rose, Wilmar International was still selling cheap soybean oil from its refineries in China so that it could take over the market share of its smaller competitors. Evidently, its accumulation bases in other countries of the region also helped Wilmar to withstand the temporary losses in China (Chinese Business Leaders' Hall of Fame 2015).

As China became the world's largest soybean import market and a soybean processing hub, Wilmar's and Noble's leading position in the country gave them financial power to launch further investments in other countries and attract business partners and financiers worldwide. Accordingly, by the mid-2000s Wilmar International and Noble Group obtained enormous credit from banks in multiple countries (Farchy 2018a; 'Wilmar International Annual Report' 2007, 19).⁷⁶ Besides ADM, Wilmar Holdings attracted dozens of other international investors ('Wilmar International Annual Report' 2008, 170). In 1999, it established a joint venture with the Indian multinational Adani Group for entering South Asian's soybean oil markets (Adani Group n.d.).

Meanwhile, Wilmar and Noble replicated the transnational bourgeoisie's methods to integrate into global finance. Like the North Atlantic-based TNCs, they developed financial mechanisms to raise capital and increase shareholder value. Around the mid-1990s, Wilmar

⁷⁶ By 2006, Wilmar International's top 11 financiers were 2 Singaporean banks (DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited (OCBC)), one Thai bank (CIMB Group), one Japanese bank (Bank of Tokyo-Mitsubishi UFJ Ltd.), one Malaysian bank (Malayan Banking Berhad), 2 Indonesians banks (PT Bank Central Asia (BCA), Tbk Southern Bank Berhad), and 5 European (ABN AMRO Bank, Fortis Bank SA/NV, ING Bank NV, Rabobank, Standard Chartered Bank) ('Wilmar International Annual Report' 2007, 19). Among them, the ones that provided higher credits were OCBC Bank, Rabobank, CIMB Group, and Standard Chartered Bank. (ven Gelder 2007, 1).

International was listed on the Singapore Exchange and its Chinese subsidiary, and Yihai was listed in Hong Kong Exchange (The Kuok Group 2018; Wilmar International 2017). In turn, Noble moved its headquarters to Singapore, where it also went public in 1997 (Farchy 2018b; King 2009). Additionally, both companies developed leading speculative businesses over commodity prices, such as cross-border futures trading (Directors & Boards 2017). By attracting multilateral finance support, the two companies were able to grow worldwide and make high profits from world soybean price variation, which at a later moment would boost their expansion in China further (Chapter 5).

3.7. Conclusion

This chapter explored the reaction and adaptation of the state-led bourgeoisie and national private bourgeoisie in the soybean downstream complex through the lens of the Chinese mid-1990s' industrial policy. It reviewed the literature on state capitalism, highlighting the institutional shift that gave the central communist leadership political and economic centrality after facing domestic and external threats to its leadership. This process corresponds to the recovery of the state-led and national private capitalist industrial capacity and political dynamism in the soybean downstream complex. Accordingly, during the mid-1990s policy change, these two class fractions increased their political influence nationwide. They built alliances with state institutions from coastal provinces and gained the support of the central government and local officials seeking political promotions on the state hierarchy. As a result of their increasing political influence, China restored fiscal barriers on soybean meal and soybean oil imports in 1998-1999, making soybean crushing a core segment in the sector.

With the new protective policies on soybean crushing and liberalisation of raw soybean imports, state-led and national private capitalist enterprises expanded their processing capacity in coastal provinces. The mid-1990s' reforms enabled them to take advantage of land dispossession and grow by expanding the extraction of industrial surplus value. Whereas their reliance on soybean imports made them particularly vulnerable to the transnational capitalist control over trade, their growing profits and revenues threatened the transnational capitalist prominence in the soybean downstream complex. The sector's integration into global circuits of production and consumption and the consolidation of a state-driven processing hub

propelled further divisions within China's capitalist class, often ignored by the literature on state capitalism.

There were other winners during this period, however. As the soybean processing industry became subject to the rules and standards of the global soybean supply chain, it allowed the rise of associated capitalists inserted into global trade, which challenges the homogenous industrialising path described by the literature on state capitalism. As commercial intermediaries and agri-food processors, Wilmar International and Noble Group utilised their inter-regional production bases outside mainland China to acquire a sizeable chunk of the domestic market, often taking advantage of their monopolistic inter-regional position to decrease their selling prices and growing over smaller competitors. Moreover, China's state-driven industrialisation during the 1990s has put them in a favourable position to further invest in soybean processing through close connections with state officials. However, instead of developing a Chinese-centred form of accumulation or preserving subordinated comprador links with Western economies, Wilmar International and Noble Group actively integrated into the transnational capitalist class. With a leading position in the Chinese soybean downstream complex, they attracted financial capital worldwide and grew by reproducing the investment methods of foreign TNCs.

Chapter 4: The Formation of a “TNC-transnationalised State” Power Bloc in the Early 2000s

4.1. Calling State Capitalism into Question

The previous chapter helped us clarify the prominent role of the state-led bourgeoisie and national private bourgeoisie in the soybean processing industry through the lens of the literature on Chinese state capitalism. It also shed light on the rise of associated capitalists and their integration into the transnational bourgeoisie, deviating, in turn, from the industrialisation path described by that same literature. This chapter further critiques state capitalism by drawing attention to the adaptation of transnational capitalist fractions to China’s new political and economic scenario. I examine the alliance between foreign TNCs and the Chinese state traders COFCO and Chinatex, demonstrating how the Chinese counterparts became incubators of the transnationalised state bourgeoisie. I suggest that such an alliance and its increasing political influence established the foundation for a new power bloc. This phenomenon is explored through the three following points:

First, the concept of state capitalism in China suggests that after the mid-1990s reforms, emerging capitalists engaged in a political pact under the Chinese Communist Party’s leadership. Although scholars point out the increasing social contradictions and heterogeneous economic formation of this pact (Kurlantzick 2016, 226; Andreas 2008), they all see it as a source of stability. In Huchet’s words,

the coalition of blocs in the People’s Republic, led by the Chinese Communist Party, tends to favor the continued existence of the political status quo and nothing suggests that one or more of the blocs that are part of the present coalition are willing to risk losing their advantages in a conflict with the party during this period of rapid growth. (Huchet 2006, 21)⁷⁷

In contrast with their understanding, I show that the transnational bourgeoisie’s alliance with the transnationalised state bourgeoisie represents a fracture in the relations of power in the soybean downstream complex. Such an alliance counteracts the previous state-led and

⁷⁷ Lardy (2019) goes even further by arguing that the party/state guiding role propels the end of China’s economic reforms as a way to perpetuate the ruling power.

national private capitalist industrial headway, leading to the formation of a rival economic block composed of the triad COFCO, the Kuoks, and ADM.

Second, as described in the previous chapter, the related literature suggests that the historical formation of state capitalism in China coincides with the rise of industrial conglomerates under the state/party guidance (Lin and Milhaupt 2013; Naughton and Tsai 2015). Since the mid-1990s, these conglomerates became responsible for processes of accumulation based on productive capital (McNally 2013; Dic 2020), which in the soybean downstream complex relates to soybean crushing and soybean oil refining. However, COFCO's and Chinatex's accumulation strategy relies on financial speculation. Like foreign TNCs, they invest in soybean processing as a way to leverage capital and promote price speculation linked to global trade. COFCO's and Chinatex's expansion in the soybean downstream complex resembles what Jerry Harris (2005; 2009) calls transnational state capitalism, as a new form of global integration led by China and other emergent economies. However, contrary to Harris, I emphasise that the distinctiveness of this capitalist formation relies above all on forms of capital accumulation radically different from what the literature understands as state capitalism. COFCO's and Chinatex's alliance with foreign TNCs grow by subordinating industrial production to the requirements of fictitious capital.

Third, state capitalism is understood as a hegemonic capitalist formation that upheld the mid-1990s policy changes under the state/party rule and sustained the economic reforms up to date. In Huang's words, "this taxonomy of capitalism offers a productive way to examine the evolution of capitalism in China during the last 30 years" (Huang 2008, 237). However, as the transnational and transnationalised state capitalists expanded their accumulation bases in the soybean sector, they promoted a political agenda that amplified their class interests. Their increasing political influence contributed to accomplishing their agenda, undermining the power of the state-led bourgeoisie and national private bourgeoisie. The TNC-transnationalised state political prominence created the foundations for a new power bloc different from that which sustained state capitalism.

This chapter is divided into three main sections, each of which addresses the first, second, and third points described above, respectively. Section 4.2 indicates that the industrial growth driven by state-led and national private capitalists propelled foreign agribusiness TNCs to invest heavily in soybean processing in collaboration with COFCO and Chinatex. Through Sino-foreign joint investments, they controlled China's largest portion of soybean oil and soybean meal production and sales. In turn, section 4.3 suggests that COFCO's and Chinatex' alliance with the foreign transnational bourgeoisie strengthened their internationalised

ownership structure and consolidated a group of capitalists ahead of their offshore subsidiaries. This group of capitalists integrated into global finance and acquired its actual form of transnationalised state bourgeoisie. This class fraction expanded by reproducing foreign investment methods through pioneering futures contracts and capital market operations.

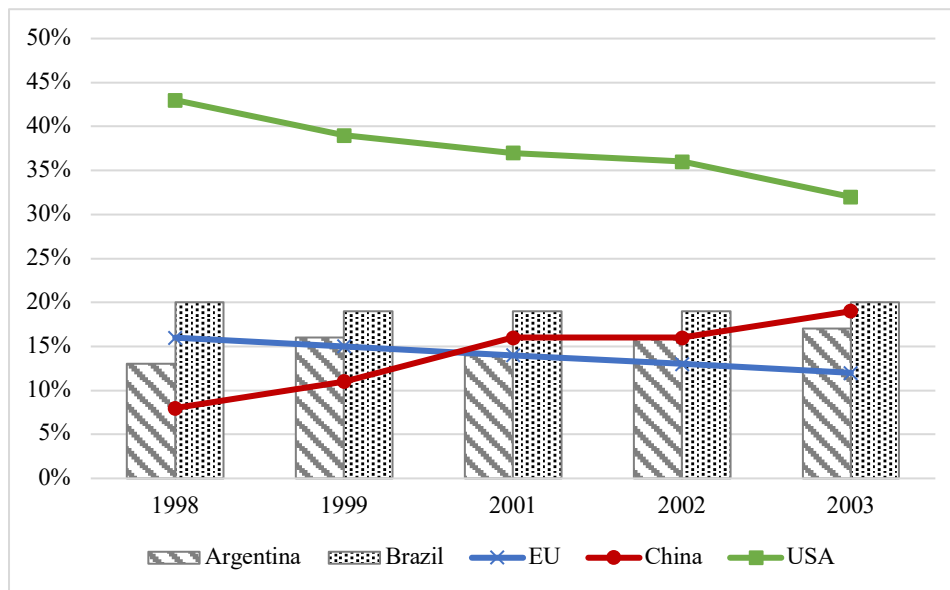
Finally, section 4.4 indicates that the transnational and transnationalised state capitalists gained increasing political recognition in the early 2000s. They benefited from a political environment in favour of economic liberalisation upon China's accession into the WTO. Therefore, they became more proactive on both central and local state levels and imposed their political agenda over the state-led and national private capitalist fractions.

4.2. The Transnational Capitalist Reaction and the Formation of New Alliances

The disputes between state-led and national private capitalists and their transnational capitalist rivals destabilised the political cohesion around the state/party leadership. Contrary to the claims of the literature on state capitalism, those inter-capitalist relations led to the formation of new alliances opposed to the previous hegemonic formation. Although the new alliance was not originally responsible for China's soybean processing growth (as demonstrated in the previous chapters), it repositioned itself as a new industrial power in the sector.

As the late 1900s policy change favoured China's soybean processing industry, the agribusiness TNCs adjusted their accumulation strategy from trade to productive industrial investments to maintain economic prominence. The ABCD, the Noble Agri, and the enterprises that belonged to the Kuok Family (the Kuok Brothers and Wilmar International) responded to the government's new import barriers and the recovery of state-led and national private capitalists by investing progressively in China's processing infrastructure and transferring part of their processing capacity from their traditional bases in the US and Europe to China – as the Figure 17 helps to illustrate.

Figure 17: World soybean processing shares



From Wesz Jr. (2011, 34).

Despite the fact that since the late 1990s, wholly-owned foreign enterprises accounted for the major portion of foreign investment in China, macroeconomic changes and the rise of Chinese national champions forced a significant number of foreign investors to seek local partners (Meschi and Cheng 2007). Even though Cargill and Noble built new soybean crushing plants alone,⁷⁸ the transnational capitalist industrial expansion in the soybean complex went primarily through Sino-foreign joint ventures. By partnering with Chinese enterprises, the foreign counterparts accessed distribution channels, established connections with relevant state institutions, hired personnel with know-how on local regulations, and obtained credit from Chinese financial institutions (Huang 2005, 155; Meschi and Cheng 2007). In addition to those benefits, foreign agribusiness giants often conditioned industrial investments to soybean import agreements through trade channels controlled by themselves. As Jiusan’s chairman Tian Renli once testified, “in the past, many foreign transnationals also talked to us about partnership. They all raised the same condition, that is, the cooperation would be possible only if we purchased their soybean” (Su 2009, 39).⁷⁹

⁷⁸ Cargill found the Dongguan Cargill Feed Protein Technology Corporation in 2001 and the Cargill Grain & Oilseeds (Nantong) in 2004. Noble’s soybean crushing subsidiaries are mentioned in chapter 4.

⁷⁹ Translated by the author from the original “以前许多外商也与我们谈过合同的问题，他们都有一个相似的条件，就是合作可以，但是你必须买我的大豆”。

At the same time, as China's soybean processing sector became particularly dependent on global supply after the opening up of the domestic soybean market, some Chinese processors became avid for partnering with agribusiness TNCs to secure imports. However, while Jiusan and other state-led and national private capitalist enterprises hesitated to collaborate with those TNCs due to their historical rivalry and domestic soybean producers' internal pressure, the state-owned COFCO and Chinatex had a welcoming approach. Until the late 1980s, these two enterprises were China's sole authorised channels for operating cross-border trade of bulk agricultural commodities (in the case of COFCO), and cotton and textile products (in the case of Chinatex). As state trading monopolies, they built a long-standing relationship with foreign traders – who depended on them to reach commercial agreements with China. Their commercial connections consolidated already in the early period of China's economic reforms. Following prime minister Zhao Ziyang's (1980-1987) efforts to orient the rural economy towards exports (Chen 1985; Zweig 1991, 721–22), COFCO and Chinatex established numeral distribution networks and marketing offices overseas.⁸⁰ To access foreign markets, those offshore firms had a collaborative approach towards their foreign competitors. As Chinatex stated in an announcement on the China Economic and Trade Herald, it established “long-term vertical cooperation with world-famous clothing companies, developed an integrated marketing network to serve retailers and clothing partners directly, and expanded at foreign markets through Mergers and Acquisitions, joint ventures and partnership projects” (China Economic and Trade Herald 2002, 62).⁸¹ In the same way, a Joint Announcement of two COFCO subsidiaries in Hong Kong affirmed that the best way to expand their business in the Asian food market was by engaging in “strategic alliances with other leading international companies” (‘Joint Announcement’ 2001a).

COFCO's and Chinatex's offshore firms became the bases through which their early commercial collaboration with agribusiness TNCs developed into common investment strategies and self-enrichment practices. For instance, the most important springboard for COFCO and Chinatex to expand overseas was Hong Kong. This former British colony had a

⁸⁰ In the early 1980s, COFCO set up a subsidiary in New York and signed trading agreements with the EUA and other capitalist countries, which the most important was the export of frozen vegetables and canned to Europe in 1987 (Gooch and Gale 2018; Zhu 1999, 15). In turn, in 1982, Chinatex established a subsidiary in Sydney and subsequently purchased a significant amount of Australian wool (Chong 2003, 7).

⁸¹ Translated by the author from the original “与世界知名服装企业建立垂直长期合作关系，建立整合营销网络直接服务于零售商和服装商，通过收购兼并，合资合作扩展海外市场”.

loose tax system similar to tax havens and an unregulated financial system attractive to the transnational bourgeoisie and the associated bourgeoisie. As Robert Kuok (郭鹤年 in Chinese), the Kuok family's patriarch, said in his memoir, "Hong Kong's tax environment encouraged business. [In comparison to Singaporean tax regime], you only paid 17 per cent corporate tax, so you were better off by 33 cents on every dollar of profit" (Tanzer 2018). The local liberal environment allowed CCP cadres and SOE executives to make fortunes and enjoy a luxurious lifestyle through illicit connections with foreign businesses (Sklair 2002, 257).⁸² It also allowed Chinese state trading enterprises to avoid taxation and sign commercial contracts without Beijing's rigid control. Therefore, in 1988, COFCO's subsidiary in Hong Kong Top Glory partnered with Kuok Group to import soybean and build a large-scale edible oil refinery in the Shenzhen free trade zone.⁸³ Afterwards, COFCO's headquarters in Beijing encouraged Top Glory to acquire a local foodstuff company in 1992 and redevelop it into COFCO's core food and beverage production businesses.⁸⁴ From this base, the company established several joint ventures with the Kuoks and ADM to import soybean and crude soybean oil from Chinese ports (Wilmar International 2017; ADM n.d.).

Nevertheless, the 1988's reform of China's state trading system and throughout the 1990s, the government liberalised the country's trade management partially. It replaced the state-managed quota regime for the worldwide-used Tariff Rate Quota (TRQ).⁸⁵ Under the new regime, COFCO and Chinatex lost their exclusive trading rights as quota-holders and lost some of their capacity of mediating Sino-foreign commercial relations (Colby, Diao, and Tuan 2001, 172; Schmidhuber 2001, 25). Even so, the central government continued to have the upper

⁸² After several scandals and a social outcry in the late 1980s, the Chinese government approved anti-corruption regulations, re-registered offshore state-owned firms, and thoroughly inspected their Hong Kong business community practices. However, according to Sklair (2002, 158), this political suppression was not enough to eradicate corruption among SOEs abroad.

⁸³ The refinery was called Southseas Oils & Fats and was commissioned in 1990.

⁸⁴ Top Glory transferred most assets of its related subsidiary to the newly acquired company and changed this company's name to China Foods 中国食品有限公司.

⁸⁵ Under China's traditional quota regime, the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) ordered the amount of quota obtained for each grain's imports according to an annual plan formulated by the State Development and Planning Commission (SPDC) and approved by the State Council. After setting the quota amount and allocation, the state trading companies carried the trading transaction as exclusive quota-holders under the monitoring of the MOFTEC (Colby, Diao, and Tuan 2001, 172). In contrast, the tariff rate quota (TRQ) does not specify quota holders and does not restrict the trading quantity. It applies a lower tariff rate for every licensed trading firm in a pre-determined amount and adds extra tariff costs whenever it exceeds that quantity (Colby, Diao, and Tuan 2001, 172).

hand on China's cross border trade through the implementation of a strict licensing system.⁸⁶ Therefore, despite losing their monopolistic position, COFCO and Chinatex continued controlling large chunks of China's trade (McCorriston and MacLaren 2010).

Besides that, the state sector reforms from the mid-1990s allowed these two enterprises to expand just like the state-led capitalists – by introducing market-led management and venturing into a variety of profit-seeking businesses.⁸⁷ They became colossal agribusiness conglomerates and joined the selected group of SOEs under the China State Council State-Owned Assets Supervision and Administration Commission (SASAC) administration. Their broad business scope and political centrality became one more reason for attracting the partnership of agribusiness TNCs. As COFCO's Chairman from 1997 to 2004 (周明臣 in Chinese) said in 1999 in an interview after his company figured for five consecutive years among the world's top 500 companies:

The top 500 rank is like a certification for enterprises. No matter bank partners or even competitors, we will gain a considerable degree of trust from them. Besides, some enterprises will be willing to cooperate with us in business [commercial] activities and non-business [investment] activities such as joint-ventures. (Zhang 1999, 38)⁸⁸

As COFCO and Chinatex's business diversification included vertical integration into related agri-food industries, they became the preferred partners of transnational capitalist investors also in the soybean processing sector. Accordingly, COFCO and Chinatex already had some early experiments with Sino-foreign industrial cooperation. Chinatex was China's pioneer in this regard. It established a joint venture in 1978 with a "Hong Kong capitalist" – as the reformist leader Deng Xiaoping called the Overseas Chinese Cao Guangbiao (曹光彪 in Chinese) – for processing wool (Du 2008, 13). COFCO, though, was the first Chinese SOE to establish Sino-foreign joint ventures in the soybean processing sector. In 1988, besides the

⁸⁶ China's licensing system made trading firms pass through the examination and approval of the Chinese Ministry of Commerce, according to the Ministry's qualification standards (Colby, Diao, and Tuan 2001, 172).

⁸⁷ Chinatex expanded its commercial operations to bulk agricultural commodities trade and specialised in cotton farming, garments manufacturing, and brand design (Tang 2010; Oliveira 2018; Chong 2003). In turn, COFCO integrated into diversified segments of agri-food production, including seeds and inputs distribution, sales platforms, technical support, financial services, and storage services. The company also engaged in feed and livestock production, in foodstuffs and drink brands, in bioenergy development, as well as in real estate, property management, and finance (see Fares 2018).

⁸⁸ Translated by the author from the original “500 大排名就像是对企业的一个认证。无论银行合作者 甚至竞争对手 对我们都会有相当的信任度。 另外, 企业开展一些活动, 包括业务活动和非业务活动如合资办实业等, 都会有人愿意合作。”

Shenzhen soybean oil refinery investment with the Kuoks, COFCO jointly built a crushing plant with Japan Qing Auli Group in Dalian.⁸⁹ Afterwards, the two Chinese state traders expanded their processing capacity exponentially by replicating those experiments nationwide. Throughout the 1990s, Chinatex built garment manufactories, in partnership with American, Japanese and German multinationals (F. He 1997), and COFCO turned its soybean import business with the Kuok family and ADM into processing joint ventures. By the early 2000s, COFCO, the Kuoks, and ADM had five soybean crushing joint ventures and five more refinery joint ventures – some of which had unified sales of soybean oil brands (Ma 2005, 37; Qu 2010, 73–74).⁹⁰ From those joint ventures, COFCO secured resource supply through preferential soybean import agreements with its foreign counterparts that accounted for up to US\$772 million in 2004 (‘COFCO International 2004 Annual Report’ 2005, 25).⁹¹ Chinatex, in turn, ventured into the soybean sector only in 2000. It founded the subsidiary Chinatex Grains and Oils Company to carry out soybean trade (Oliveira 2018). After winning the support of agribusiness TNCs to import soybeans from Brazil, Chinatex established a few years later large-scale crushing plants in China, also in collaboration with foreign partners (chapter 5).

⁸⁹ The joint venture was called COFCO Riqing (Dalian) Co. It had a daily soybean processing capacity of 2000 tons.

⁹⁰ The five soybean crushers are East Ocean Grains Industry (EOGI) (Figure 18), COFCO Yellow Sea Grains and Oils Industry, COFCO Xinsha Grains and Oils Industry, Great Ocean Oil & Grain Industries (Fang Cheng Gang), and Cofco ADM Cereals and Oils Industry (Heze) Co. The edible oil refineries are Eastbay Oils and Fats Industries (Guangzhou), COFCO North Sea Oils and Grains Industries (Tianjin), Shanghai Fulinmen Food Co, South Ocean Oil and Fat (Chiwan) Industrial Co., and East Ocean Grain and Oils Industry (Zhangjiagang).

⁹¹ 5,993,737,000 Hong Kong Dollars. Currency converted by the author based on 2022 rate (1RMB = 0,15 US\$).

Figure 18: East Ocean Grains Industry (EOGI) soybean crushing factory

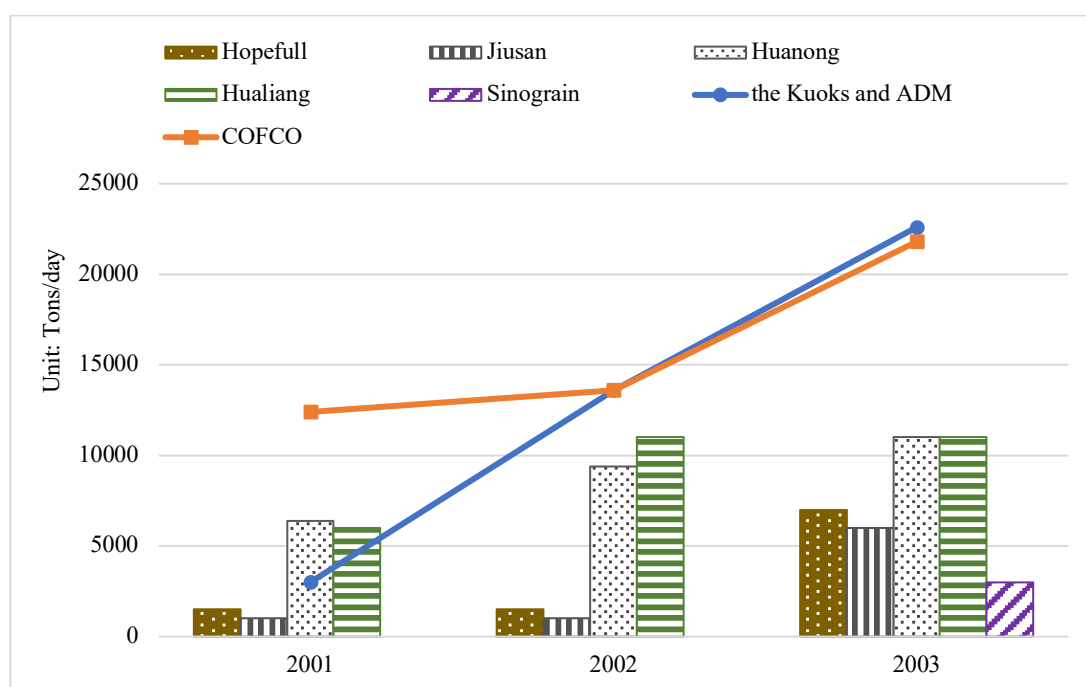


Image extracted from Wilmar International's official website, History & Milestones page.

In short, since the mid-1990s, the growth of China's soybean processing sector and the state-led and national private capitalist recovery propelled agribusiness TNCs to invest heavily in the Chinese processing infrastructure. Meanwhile, with the state sector corporate reforms and the rise of national champions, those TNCs sought the collaboration of Chinese SOEs to access the domestic market and maintain their trading leadership in China. Nevertheless, while the state-led bourgeoisie and national private bourgeoisie repudiated trading relations with their transnational capitalist rivals, COFCO and Chinatex, who had early connections with them through international bases, welcomed that approach. Hence, agribusiness TNCs allied with the two former state trading enterprises to invest in the soybean processing sector jointly.

In line with Chris Bramall's (2007) analysis on rural industrialisation and the literature on state capitalism, the repositioning of transnational capitalists in the soybean complex was not the primary driver of China's soybean processing growth (Chapters 2). It was rather a reactive action within a broader national industrialisation scenario led by capitalists close to the Chinese state/party. However, the transnational capitalist alliance with COFCO and Chinatex allowed both parts to expand their processing capacity rapidly. In the early 2000s, their joint investments consolidated a leading triad between COFCO, the Kuoks, and ADM. COFCO's processing capacity soared already in the late 1990s, and the two transnational capitalist partners followed the same path from the early 2000s onward (Figure 19).

Figure 19: Daily soybean crushing capacity of the following enterprises



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.

The rise of COFCO, the Kuoks, and ADM as new processing powers upsets the cohesion of China’s state/party leadership. The leading triad has historical origins related to forms of accumulation contrary to what is understood as state capitalism. As such, they reflect a peculiar (and contradictory) arrangement between the dominant class fractions in the soybean downstream complex, which will be examined in the following sections.

4.3. The Rise of the Transnationalised State Bourgeoisie

The alliance between foreign agribusiness TNCs and the state-owned COFCO and Chinatex contributed to the rise of the transnationalised state bourgeoisie from within the two Chinese enterprises. This new class fraction falls under Harris’s (2009; 2005) analysis on the role of China and other emergent economies as new “statist globalisers”. For Harris, the distinctiveness of China’s integration into global capitalism relies on its transnationalised constituency against nation-centric capitalist structures. However, as Chapter 1 contents, more

important than the extent to which fractions of the bourgeoisie surpass national frontiers is how such a process allows new forms of capital accumulation at home and abroad. As Lin Chun points out, Chinese globalism has required the intensification of economic reforms, “encompassing a restructuring of state firms and banks, commodification of land, and the loosening of financial regulation on private monopolies” (Lin 2021, 245).

For instance, although COFCO and Chinatex play a strategic role as state traders, their accumulation strategy differs radically from the state-led and national private capitalists. While the latter class fractions rely on productive capital, obtaining profits from the extraction of surplus value from the soybean processing industry, the transnationalised state bourgeoisie replicates the business methods of its transnational capitalist allies. It relies on fictitious capital, which obtains profits from the subordination of soybean processing to finance. The expansion of the transnationalised state capitalist bases of accumulation is at odds with the industrial policies that followed the formation of state capitalism in China.

Accordingly, throughout the mid-1990s’ reforms, COFCO and Chinatex continued transferring most of their assets to offshore firms. Between 1993 and 1997, 58 per cent of COFCO’s revenues (US\$3.40 billion) came from overseas subsidiaries even though its assets were concentrated in mainland China (Zhu 1999). As a senior executive of Jiusan’s parent company Beidahuang said in a personal interview with the author, “enterprises like COFCO became internationalised to the point that they should take off China from their names”.⁹² Chinatex also put significant weight on offshore subsidiaries by establishing enterprises such as Chinatex Americas Group, Chinatex Europe Group, Chinatex (Australia) Wool Company, Universal Trading, Chinatex (Singapore) Trading, and Huahai Trading Company.

Outside mainland China, COFCO and Chinatex executives and their foreign partners enjoined corporate structures with less transparent ownership rights – keeping their ultimate owners unrevealed – flexible capital flow, and the previously mentioned softer tax policies. Such an open environment helped to consolidate a new group of capitalists acquainted with global finance. This is the case of COFCO’s 2016-2020 President Yu Xubo (于旭波 in Chinese), also known as Patrick Yu. In 1988, after graduating from the International Trade faculty of the University of International Business and Economics in Beijing, Yu joined COFCO’s grains, oils and feed trade division (Williams 2015). In 1991, he was allocated to a joint venture with the North American Continental Grain Company in Chicago (Noble Group

⁹² Liu, Yingtao (Senior executive of Heilongjiang Beidahuang Land Reclamation Group), in discussion with the author. Harbin, 31 October 2018.

2016, 21). There, Yu learned and practised futures hedging in global derivatives markets. As he described to the COFCO Qidefeng online platform,

my main job there [in the joint venture] was purchasing, providing price information and visiting customers. Through this experience, I saw with my own eyes how American farmers used the futures market to guide production (...). Our company held meetings every day to report and discuss the futures trading situation and determine the trading price from the closing to the opening of the following day. Through that daily exchange and discussion, I fully feel how a spot company in the USA used the futures market to guide its trading and business decisions and truly understood the charm of futures trading. (Yu 2020)⁹³

COFCO's and Chinatex's alliance with the transnational bourgeoisie in the soybean complex strengthened these companies' international ownership structure, from which executives like Yu Xubo and their foreign partners prospered. COFCO's and Chinatex's offshore firms proliferated amidst their increasing investments in the soybean processing industry. In the late 1990s, Chinatex established holding companies in Macau and Hong Kong responsible for brokering new joint ventures. In turn, COFCO changed the name of its subsidiary from Top Glory to COFCO (Hong Kong) in the early 2000s and made it COFCO's designated vehicle for expanding food-related and real estate and property management business ('Joint Announcement' 2001a).⁹⁴ The new company incorporated one of its subsidiaries called COFCO International in Bermuda and transferred to it COFCO Oils and Fats Holdings' assets. At the same time, COFCO Oils and Fats Holdings incorporated in the British Virgin Island and became responsible for COFCO's soybean crushing and Consumer-pack edible oils business operations ('Joint Announcement' 2001b; 'Joint Announcement' 2001a). In between this myriad of offshore subsidiaries, some intermediary investment funds held significant shares in various ownership levels – from the top level-COFCO (Hong Kong) to the joint ventures that operated soybean processing plants in mainland China. Some of these investment funds were partnerships between agribusiness TNCs and COFCO's companies,

⁹³ Translated by the author from the original “我在那里的主要工作就是采购、给客户提供价格信息以及拜访客户。这个机会让我亲眼看到了美国农户如何利用期货市场来指导生产 (...) 公司每天会召开收盘会，将一天期货交易的情况进行汇报和讨论，决定收盘后到第二天开盘前的买卖价格。通过每天的案例交流讨论，使我充分感受到一个美国现货公司如何利用期货市场来指导自己的交易和经营决策，真正领会到期货交易的魅力。正因如此，才有了此后我与中粮的期货之缘。”

⁹⁴ Its food-related businesses included beverage and winery, confectionery products, and agri-industrial businesses, such as rice trading and wheat processing ('COFCO International Annual Report' 2006; 'COFCO International Interim Report' 2002).

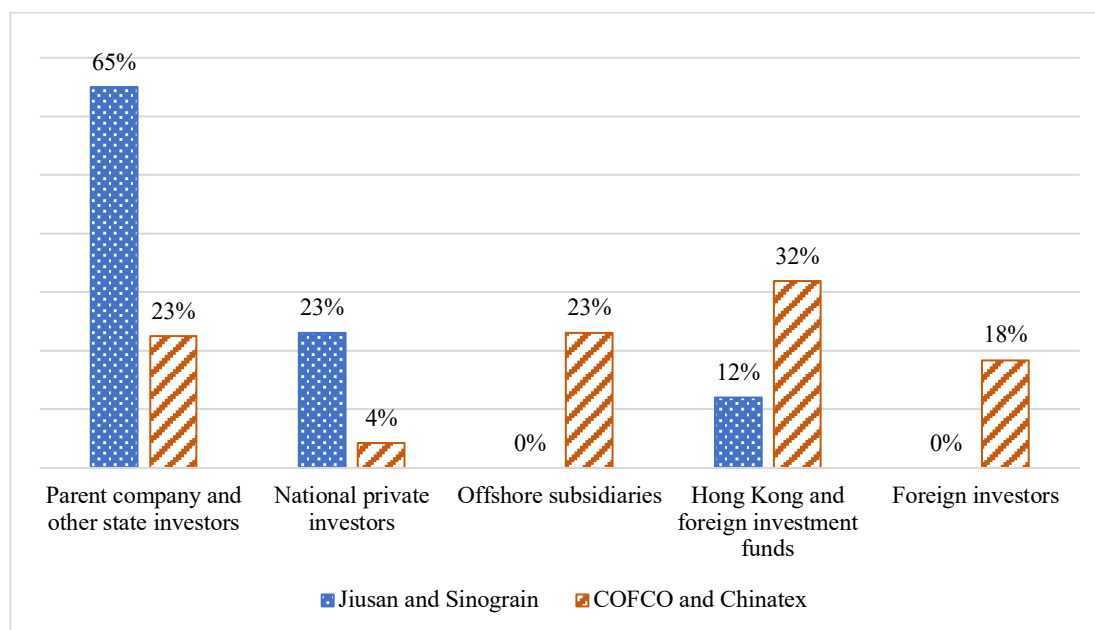
mostly from the British Virgin Islands.⁹⁵ Some others were just COFCO's correlated international holders with diffuse ownership rights.⁹⁶

The capitalists at the head of COFCO's and Chinatex's offshore firms had a large room to reproduce themselves as a distinctive capitalist class fraction. Even though these firms were attached to the Chinese state, their international ownership expansion made them exceptionally decentralised. While most of Jiusan's and Sinograin's crushing assets belonged directly to their parent companies, those of COFCO and Chinatex belonged mostly to international entities such as Hong Kong's and foreign investment funds, offshore subsidiaries, and foreign investors (Figure 20). Those entities were responsible for a significant share of COFCO's and Chinatex's profits. Such a decentralised ownership structure based on open capital markets outside mainland China provided more opportunities for the capitalists at the helm of COFCO's and Chinatex's international operations to appropriate a large portion of their companies' profits and amplify their class interests.

⁹⁵ This is the case of Grand Silver (Lanshan) (嘉银岚山 in Chinese), Grand Silver International (嘉银国际 in Chinese), and Grand Silver (Guangdong) (嘉银广东 in Chinese), Yiu Tung Enterprises Limited, Best Prospects Limited; Grand Moment Assets Limited, whose shares belonged to Wilmar International, ADM, COFCO (BVI) N° 24 Limited and other enterprises related to COFCO (Qichacha [Enterprise Investigation] n.d.). Grand Silvers held shares in the COFCO Yellow Sea Grain and Oil Industry (Shandong) Co. and COFCO North Sea Oils and Grains Industry (Tianjin) ('Joint Announcement' 2001a).

⁹⁶ This is the case of Oriental Chance Limited (中昌盛有限公司 in Chinese), the Shining Hope Development Limited (耀合发展有限公司 in Chinese), the Time Triumph Limited (时丰泰有限公司 in Chinese), and the Bestfield Associates Limited. They held shares in COFCO Oils (Qinzhou) Co., South-seas Oils and Fats Industrial (Chiwan) Limited (until 2007), COFCO Xinsha Grain and Oil Industry (Dongguan) Co., and COFCO-ADM Cereals and Oils Industry (Heze) Co., respectively (Qichacha [Enterprise Investigation] n.d.).

Figure 20: Ownership share equivalent to the crushing capacity of each group of enterprises in 2009



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.); data compiled by the author.

From international bases, COFCO's and Chinatex's capitalists adopted an accumulation strategy different from what is understood as state capitalism. In open capital markets outside mainland China, they integrated into global finance and assumed the actual form of transnationalised state bourgeoisie. For instance, their offshore firms relied on foreign banks to acquire loans and raised funds through capital operations. Between the two former state trading enterprises, COFCO was the first to leverage capital abroad. As COFCO's chairman Zhou Mingchen said in an interview with the Chinese Ziguangge Journal in 1999, "in the international arena, COFCO's financial business has developed quite distinctively (...). Through capital operations, the company guaranteed enough funds to develop its businesses" (Zhu 1999, 15).⁹⁷ During the 1990s, its old subsidiary Top Glory established financial firms in the United States and Hong Kong to raise capital through short-term commercial papers (Zhu 1999, 15). Between 1994 and 1996, it issued US\$200 million only in the US, followed by another rolling issue in 1998 (Zhu 1999, 15). Top Glory was listed in the Hong Kong stock market already in 1989, from where it could also issue stock and increase shareholder value. In 1999, COFCO International also went public on the Hong Kong stock exchange. With a

⁹⁷ Translated by the author from the original "在中粮公司的国际化经营中, 金融业务开展得颇具特色 (...) 通过资金运作, 保障了公司业务发展的资金需求."

global financial outlet, COFCO International also benefited enormously from foreign credit. While the company's assets and profits increased approximately four and a half times between 2000 and 2003, its borrowings grew more than twenty times (Table 2).⁹⁸ Among the eight main lenders of COFCO International Limited in 2004, only two were Hong Kong-based Chinese banks.⁹⁹ The rest were all European and North American banks.¹⁰⁰ Chinatex followed COFCO's path by making syndicated loans in US dollars from Hong Kong, listing multiple subsidiaries on stock exchanges and even advocating the company's overall listing in the late 2000s (China Merchants Bank 2010, 23; C. He 2012, 46).

Table 2: COFCO International's financial indicators

Unit: Billion HK\$ and %	2000	2001	2002	2003	Total growth per centage
Total assets	1717	5908	7464	9677	464%
Profit after tax	92	291	501	523	468%
Total liabilities	202	2010	3170	4709	2231%

Source: 'COFCO International Annual Report' (2006). Data compiled by the author.

COFCO's and Chinatex's integration into global finance allowed the transnationalised state bourgeoisie to expand by brokering foreign investments into China. Beyond the soybean processing sector, COFCO and Chinatex served as a gateway for Western brands and products to enter the Chinese market both through joint ventures and Mergers and Acquisitions. For instance, in the early 1990s, COFCO launched the first European-style chocolates in the domestic market through a partnership with Le Conte. Then, in 2000, the Hong Kong-based COFCO International established a joint venture with Coca-Cola Company to sell its beverage products in most of China's provinces ('Joint Announcement' 2001a).¹⁰¹ In turn, in 2002, Chinatex brokered an agreement with the German garment company Tom Tailor to

⁹⁸ Even if we consider only the indicators from 2001, when COFCO Oils and Fats Holdings was transferred to China Food (what COFCO International was previously called) onwards, the growth per centage of liabilities increased considerably faster than its profits and assets.

⁹⁹ Nanyang Commercial Bank, and Bank of China (Hong Kong) ('COFCO International Annual Report' 2005).

¹⁰⁰ The American Express Bank, the Dutch-based ING Bank N.V. and Rabobank, the Swiss-based UBS AG, and the British-based Standard Chartered Bank and the HSBC branch Hang Seng Bank ('COFCO International Annual Report' 2005).

¹⁰¹ China Foods held 65% and Coca-Cola 35% in the joint venture (Qichacha [Enterprise Investigation] n.d.).

manufacture, allocate, and sell its products in China (Chong 2003, 6). Besides, in the early 2000s, Chinatex sought the assistance of a German consultancy firm to boost its garment production and acquired a Danish fashion design company to develop its clothing brand in China (Chong 2003; cited in Oliveira 2017, 85).

Most importantly, COFCO's and Chinatex's integration into global finance allowed them to engage in new forms of accumulation by conducting foreign investments in the Chinese financial market. This was particularly the case with COFCO. Following the dismantling of China's socialist health care system, the company ventured into the private health insurance sector in collaboration with transnational corporations. In 1993, COFCO Hong Kong acquired a New Zealand-based Company, later renamed Pengli Insurance (Shen 2003). In 2000, as soon as insurance brokerage businesses were allowed in China, COFCO established two joint ventures with the world giants Aviva and Aon (Jin 2003). Through those partnerships, COFCO guided the private headway over public health care and shared with its foreign counterparts the profits from China's emergent health insurance services.

By associating with transnational capital, the transnationalised state bourgeoisie could not just conduct foreign investments in China but also replicate their methods. For instance, COFCO sought inspiration from financialised corporations such as General Electric (GE) and developed a wide variety of financial-related services in the Chinese market (Shen 2003). In 2000, the newly created COFCO Capital Investment Corporation (henceforth COFCO Capital) prospected a Sino-foreign joint-venture trust company and ventured into the securities industry through investments in the Bank of Communications, China Merchants Bank, CITIC Securities, and Guangdong Securities (Shen 2003; Jin 2003). As COFCO's Chairman Zhou Mingchen said in an interview with the Chinese 21st Century Business Herald,

based on learning from the successful development experience of well-known international enterprises like General Electric and combining it with our own reality, COFCO takes the development of its financial business as the strategic goal of the company's long-term growth strategy. (Shen 2003)¹⁰²

The association with transnational capitalists helped the transnationalised state bourgeoisie replicate the former's methods also in the soybean supply chain. For instance, similar to agribusiness TNCs, COFCO and Chinatex engaged in agricultural production mainly

¹⁰² Translated by the author from the original “中粮集团在学习借鉴国际知名企业（如 GE 等）成功发展经验的基础上，结合自身的实际，在制订长期发展战略时，将发展金融业作为公司发展的战略目标”。

through financial investments such as farmer loans, land mortgages, and agricultural equity investment (Fares 2018). Nonetheless, their most distinct way of replicating the transnational capitalist methods in agribusiness was through price speculation, particularly derivatives markets. COFCO was among the seven first Chinese enterprises approved by China Securities Regulatory Commission to operate overseas futures transactions in November 2001, and Chinatex received the same approval in November 2005 (“China Securities Regulatory Commission No. 31,” 2001; 2005).¹⁰³ Due to their international ownership structure and early association with the transnational bourgeoisie, they got a head start and achieved a prominent position in China’s futures business. For instance, after his experience in Chicago’s joint venture, Yu Xubo helped COFCO’s offshore trading firms to operate pioneering futures contracts on the Chicago Board of Trade. As he describes in the COFCO Qidefeng online platform,

after returning to China, I immediately submitted a report to Liu Yongfu, the General Manager of COFCO Grain and Oils’ Feed Department, where I worked before. I reported in detail my experience of learning futures in the United States, raising the idea of using the futures market in the United States to carry out COFCO’s hedging business, which he fully agreed (...). In July 1993, the Department officially set up a futures business department, which I was the manager. When the Chinese futures market was launched, we closely integrated COFCO’s spot import and export business into the futures market, from which we achieved considerable returns. (Yu 2020)¹⁰⁴

In short, COFCO’s and Chinatex’s alliance with agribusiness TNCs in the soybean downstream complex contributed to the transnationalised state capitalist rise from within the state sector. COFCO and Chinatex boosted their foreign partnerships by giving further autonomy and strengthening the role of offshore firms and other international entities. Such an internationalised ownership structure consolidated a group of capitalists acquainted with global finance. Following the growing economic influence of this group of capitalists, COFCO and Chinatex became a gateway for foreign investments in China and replicated the business

¹⁰³ The other six enterprises were National Chemicals Import and Export Co., China International United Petroleum and Chemicals Co., China National United Oil Corporation, China Ocean Shipping (Group) Company, China National Nonferrous Metals Industry Trading Group Co., China Grains and Oils Group Corporation.

¹⁰⁴ Translated by the author from the original “回国后我立即向我所在的粮谷饲料部领导递交了报告，详细汇报了我在美国学习期货的感受，提出了借鉴美国利用期货市场开展套期保值业务的设想，得到了时任刘永福总经理的充分肯定(...)1993年7月，中粮粮油饲料部正式下设期货业务部，我任经理。在中国期货市场启动的时候，我们在部门领导的支持下，紧紧结合部门里的现货进出口业务，利用期货市场及时转嫁了商品现货经营中的风险，取得了较为可观的收益。”

methods of transnational capitalists. As COFCO and Chinatex associated with agribusiness TNCs and moved their management and operations abroad, they pushed forward a finance-driven accumulation strategy that contrasted radically with their state-led and national private capitalist rivals. While the latter followed a state-driven industrialisation path based on productive capital, the transnationalised state bourgeoisie generated fictitious capital out of industrial growth.

As indicated previously, the rise of this class fraction in the soybean downstream complex is similar to Harris' (2009; 2005) discussions on China's role as a state-driven contributor to globalisation. However, COFCO's and Chinatex's case demonstrate that "statist globalisers" do not necessarily distinguish themselves with other capitalist formations by considering the spatial distribution beyond national borders, as Harris contends. Instead, they rely on the capacity to use globalisation to integrate into financial markets through new forms of accumulation. Therefore, the transnationalised state bourgeoisie constitutes a distinct fraction of the bourgeoisie as it carries a finance-driven accumulation strategy contrary to what the literature understands as state capitalism.

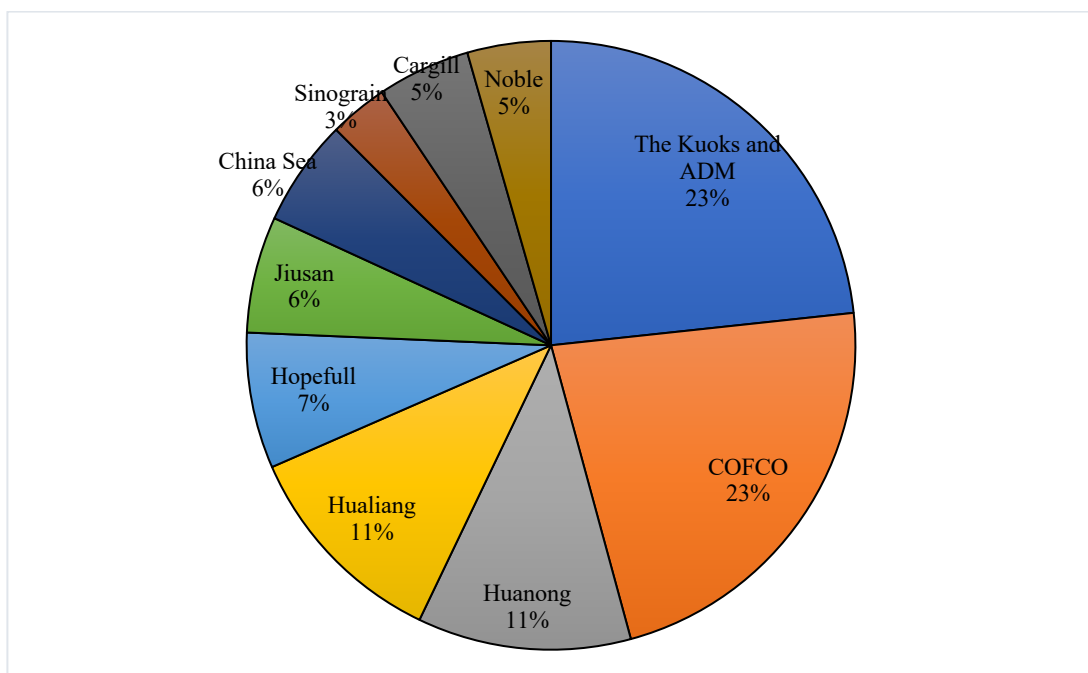
4.4. The Economic and Political Foundations of a New Power-block

If focusing on the transnational distribution of capital – as Harris (2009; 2005) does – one can notice that state capitalism also entails intrinsic global dimensions of power (Alami and Dixon 2020). As pointed out in Chapter 1, when analysing the inter-capitalist relations in China, Huang (2008, 2005) argues that alliances between SOEs and foreign investors, particularly in the early stage of the economic reforms, were an integral component of state capitalism in China – or what he calls capitalism with Chinese characteristics. However, the alliance between the foreign TNCs and the Chinese transnationalised state bourgeoisie in the soybean complex went further than what Huang describes. It translated into a political alternative distinct from state capitalism through a hegemonic political alliance resembling Poulantzas' (1976; 1978) idea of a power bloc (Chapter 1). These two class fractions joined efforts to implement an agenda consisting primarily of two aspects of finance-driven expansion: 1) speculation over market sales prices in the soybean processing sector; and 2) cross-border trade speculation. As these two class fractions pushed forward their agenda, they contributed to shaping state institutions and policymaking in their favour.

Regarding the first aspect, as COFCO, ADM, and the Kuoks jointly controlled an increasing portion of China's soybean meal and oil production and sales, they set monopoly

prices to increase their profits and speculate over price fluctuations. In 2003, the soybean processing capacity of these three enterprises combined accounted for 46 per cent of China's top 10 processing enterprises (Figure 21). In addition, their processing scale reached leading international standards. For instance, by 2006, five of the world's eleven soybean crushers with a daily processing capacity above 6000 tons were located in China (R. Wang 2006, 9). Among those five plants, four belonged to the foreign transnational and transnationalised state capitalists – from which three were joint ventures – and only one belonged to the national private Hopefull (Ma 2005, 11).¹⁰⁵

Figure 21: Top 10 soybean processing enterprises in 2003

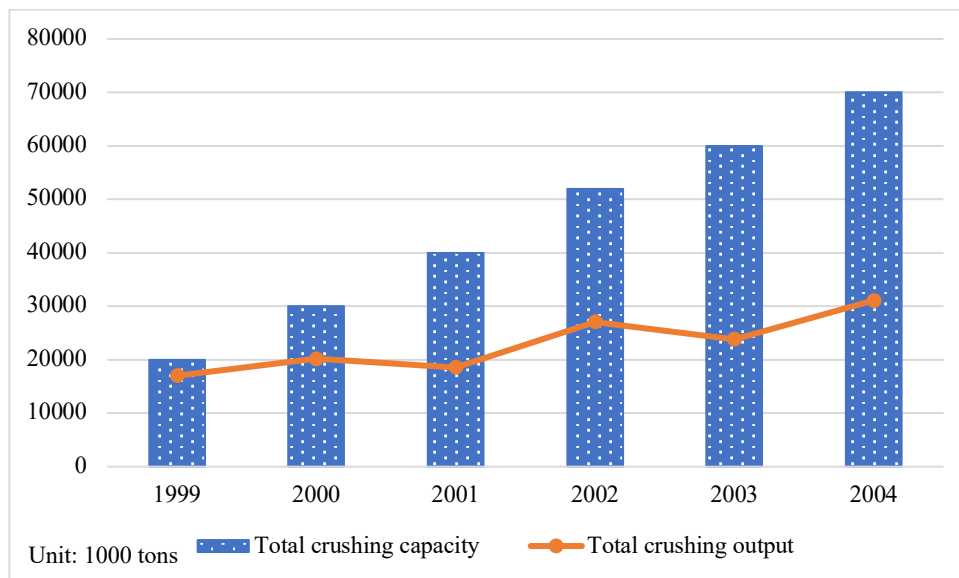


Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.

¹⁰⁵ They were COFCO East Ocean Oils and Grains Industries, and Great Ocean Oil and Grain Industries (Fang Cheng Gang). Both were joint ventures between COFCO, ADM, and Wilmar International, controlled by COFCO. They had a daily soybean processing capacity of 12500 tons and 7500 tons, respectively. The third was Qinhuangdao Jinhai Foodstuff Industries, a joint venture between Wilmar International and ADM controlled by the former, with daily soybean processing capacity of 7000 tons. The fourth was Yihai (Lianyungang) Cereal and Oil Industry, a crusher controlled by Wilmar International in partnership with Lianyungang Municipal Government, with a daily soybean processing capacity of 6000 tons. The last one was Sanhe Hopefull Grain and Oil, with a daily soybean processing capacity of 6000 tons.

The transnational and transnationalised state capitalist rush on the Chinese soybean processing industry contributed to an unprecedented concentration of capital. Accordingly, from 1999 to 2004, China's soybean crushing capacity increased three and a half times, while the soybean crushing output nearly doubled (Figure 22). With investments exceeding by far China's actual demand, the sector's profit margins reduced, pushing small players out of production. From 1995 to 2003, the number of oilseed processors reduced approximately six times, and the average capital of each processor increased approximately twelve times (Table 3). As the TNC-transnationalised state capitalist alliance was based on large-scale and large-size soybean processing, they could stand low-profit margins and take more advantage of capital concentration than their state-led and national private rivals.

Figure 22: Chinas' Crushing Indicators



Source: BRIC Agri-Info Consulting (n.d.). Data compiled by the author.

Table 3: Production size of oilseed processing enterprises

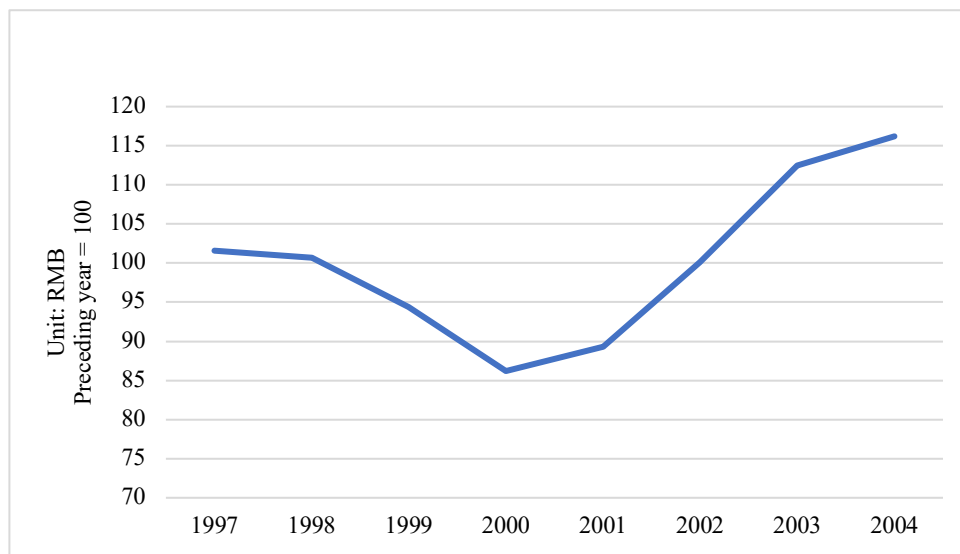
Year	Average capital storage (Million yuan/processor)	Enterprises
1995	9	5623
2003	128	1289

Source: Market Statistical Yearbook of China 1996-2005, cited in Ma (2005, 24).

As the transnational bourgeoisie and transnationalised state bourgeoisie controlled an increasing portion of China's production and sales, they set monopoly prices to increase their

profits and speculated over price fluctuations of soybean meal and oil. In an interview with the Chinese magazine *Leisure Agriculture and the Beautiful Countryside*, the national private capitalist Shi Kerong (石克荣 in Chinese), owner of Hopefull, drew attention to soybean oil shortages in Beijing during the early 2000s. According to him, the reason for the “shortage phenomenon is that some foreign businessmen are hoarding [their products], which is due to the lack of national enterprises in my country's grain and oil processing industry” (X. Wang 2009, 95).¹⁰⁶ As a result, since 2000, China’s edible oil and fats retail prices soared after years of steady drop (Figure 23).

Figure 23: China's retail price of edible oil and fats



Source: China Feed Industry Yearbook (2006).

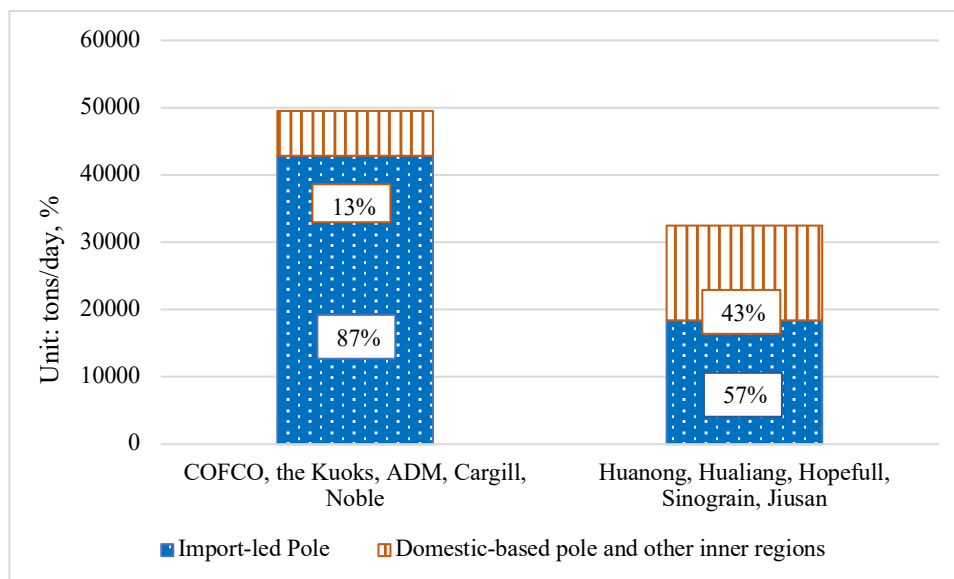
In order to secure their speculative gains, transnational and transnationalised state capitalists advocated the liberalisation of China’s domestic futures market, through which they could expand their financial businesses by betting on commodities’ price variation. For instance, COFCO’s Chairman Zhou Mingchen and other senior executives used their official prerogatives to pressure state institutions according to their interests. This included meetings held in 2003 with the Chinese Vice Premier Huang Ju (黄菊 in Chinese), the Deputy Mayor of Beijing Zhai Hongxiang (翟洪祥 in Chinese), and the China Insurance Regulatory Commission Chairman Wu Dingfu (吴定富 in Chinese) (Shen 2003).

¹⁰⁶ Translated by the author from the original “之所以会出现“短缺”现象,直接原因是有些外商囤积居奇,而根源是我国粮油加工行业中民族企业不足”.

Their lobby also corresponded to cross-border trade speculation, the second aspect of the TNC-transnationalised state agenda. While the state-led bourgeoisie and national private bourgeoisie still had some links with domestic soybean supply, the transnational and transnationalised state capitalists relied almost entirely on the global supply chain (Figure 25). Although trade liberalisation exposed COFCO and Chinatex to international competition, these two enterprises saw it as an opportunity to access global markets, partner with foreign investors, and expand their access to soybean supply. As COFCO International, the main operator of COFCO's soybean processing business expressed in 2001 upon China's entry into the WTO,

the management [of COFCO International] is confident that China's accession into the WTO will be tremendously beneficial to the development of its domestic and international trading and its import and export business (...). The opening up of the Chinese market, the lifting of trading restrictions as well as the expected entry of foreign companies into the Chinese market will have impact on the Group's [COFCO's] existing business framework and bring forth unlimited business opportunities. ('COFCO International Interim Report' 2002, 15, 19)

Figure 24: Processing capacity: Foreign TNCs/transnationalised state VS State-led/national private (2003)



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.); data compiled by the author.

In line with COFCO's stance, Chinatex saw trade liberalisation as an opportunity to invest in soybean processing infrastructure a few years later. With the increasing inflow of soybean imports, the company took into account its expertise in the cotton trade to venture into

the soybean downstream complex. As Chinatex's Chairman Zhao Boya (2005-2016) said in an interview with the Talents Magazine in 2012,

oil processing with imported soybeans as raw materials accounted [in the mid 2000s] for the absolute proportion of domestic soybean crushing capacity. Therefore, Chinatex, which has experience in international procurement of raw materials, naturally wanted to make a difference in this field. (C. He 2012)¹⁰⁷

Therefore, unlike the state-led bourgeoisie and national private bourgeoisie, the TNC-transnationalised state capitalist bloc supported the opening up of China's soybean trade unanimously. The more China relied on the global soybean supply, the more they found room to expand and subject their capitalist rivals to their trading rules and standards. More importantly, as described previously, international trade represented an essential venue for speculation over commodity prices. In an interview with the Chinese 21st Century Business Herald in 2003, COFCO's Chairman Zhou Mingchen made clear his expectations regarding the development of his company's futures hedging business:

If you look at the major grain and oil multinational companies in the world, few of them make money just out of trading. In the future, COFCO's profits will not rely directly on trade. (...) Instead, we will trade for three purposes: first, to scale-up production; second, to secure industrial inputs; (...) and third, to develop financial services. Taking futures as an example, we can master the global trend of grain and oil prices through trade. (Jin 2003)¹⁰⁸

However, Zhou still faced the resistance of state-led and national private capitalists, that had no vocation for futures hedging and saw price volatility as a threat to their soybean processing operations – not to mention the resistance of small Chinese households, which bore most risks from price speculation. Such resistance is reflected in the tight Chinese control over the domestic financial sector, as Zhou Mingchen once admitted, “it's not fun to do futures in China. There are still many irregularities in the futures market. The administrative intervention

¹⁰⁷ Translated by the author from the original “以进口大豆为原料的油脂加工 已经占到国内大豆压榨产能的绝对比重，因此，具有原材料国际采购经验的中纺，自然想在这个领域里有所作为。”

¹⁰⁸ Translated by the author from the original “你看全球主要的粮油跨国公司，真正靠贸易赚钱的很少。将来中粮的贸易这一块不会赚多少钱(...)但贸易这一块我们会一直做下去，主要是三个目的，一是贸易这一块能够使企业上规模；二是通过贸易带动实业(...)；三是通过贸易也可以做期货等金融服务业，以期货为例，通过贸易可以掌握全球的粮油价格走势，这比单纯的期货公司更有专业优势”。

is too strong” (Jin 2003).¹⁰⁹ To overcome those barriers, Zhou and other transnational and transnationalised state capitalists advocated the further financial liberalisation of China’s domestic and international trade. For that purpose, in the early 2000s, COFCO’s transnational capitalist Yu Xubo became the president of the semi-official Beijing Futures Chamber of Commerce, through which he advocated the listing of new agricultural varieties of futures contracts in China (Song 2004).

The transnational and transnationalised state capitalists were fortunate to have a favourable political environment during China’s WTO accession in 2001, in which Chinese reformist leaders disciplined opponents and made efforts to create a consensus in the society over economic liberalisation (Breslin 2007, 83). These two class fractions gained increasing political recognition on both central and local government levels. The transnational bourgeoisie increased its influence in the central government both from their based countries and in China. For example, Liu Jun (刘军 in Chinese), Cargill’s business analyst in the US, gained a good reputation among Chinese diplomats. In 2003, Chinese Ambassador Yang Jiechi (杨洁篪 in Chinese) visited him in Minnesota to talk about Cargill’s development prospects in China (Li 2019). They hired local personnel and put them in directing positions. In the following years, Cargill sent Liu Jun and other Chinese employees in the US with connections with the Chinese state to occupy senior executive positions (J. Liu 2019). Regarding the Chinese transnationalised state bourgeoisie, COFCO’s Chairman Zhou Mingchen, who until the 2000s was known as a low-profile figure, became proactive within many business and political circles. In 2003, he participated in public events that shared political affinities, such as The World Economic Development Declaration Conference and the 21st Century Economic Forum, in the Zhuhai Special Economic Zone, and in Sanya, in the Hainan Special Economic Zone, respectively. As a consequence of Zhou’s proactivity, he gained a greater public reputation, being called “the darling of the Chinese media” (Jin 2003). At the same time, following COFCO’s prominent role in the soybean downstream complex, Zhou also obtained the trust of municipal and provincial state officials. As he himself said to the China Entrepreneur Magazine in 1999, “local governments felt assured [with COFCO’s growth]. At least in terms of policies, they further encouraged our businesses” (Zhang 1999, 38).¹¹⁰

¹⁰⁹ Translated by the author from the original “在中国做期货不太好玩，期货市场还有许多不规范的地方，行政干预太强”.

¹¹⁰ Translated by the author from the original “地方政府也会很放心，至少在政策上对我们的各种业务是鼓励的”.

By attracting the support of local and central state officials, transnationalised state capitalists and their foreign counterparts enjoyed the subsequent approval of policies in line with their class interests. In 2004, the State Council approved a set of measures to loosen regulations on securities and capital market investments (China State Council 2004), making it easier to leverage capital and raise funds on capital markets and develop financial services in China. Moreover, upon China's accession to the WTO, the government committed to opening up the internal distribution system of all agricultural products, except tobacco, to foreign companies by 2008 (D'Amato 2004, 1149). By 2005, Louis Dreyfus received the government's license to operate the domestic corn trade and Wilmar International received local governments' support to build grain stock and transportation facilities in China (Goldberg and Yang 2018, 7; Louis Dreyfus Group n.d.). Lastly, by the mid-2000s, the China Securities Regulatory Commission successively approved the incorporation of new agricultural varieties into the domestic derivatives market. At the same time, meeting the transnationalised state capitalist interests, the Chinese government gave advanced approval for new Chinese enterprises to operate overseas futures contracts (Song 2004). As COFCO's General Manager (2016-2020) Yu Xubo said to COFCO's Qidefeng online platform, "the effective use of the risk management and price discovery functions of the futures market is the result of the steady development of entities like COFCO" (Yu 2020).¹¹¹

Thus, as the transnational bourgeoisie and transnationalised state bourgeoisie pushed forward their political agenda, they set the foundations of a new power bloc. The TNC-transnationalised state power bloc is radically different from what is claimed by the proponents of the state capitalism thesis. Its accumulation bases expand through internationalised and finance-driven capital, taking the soybean processing industry as a manner of financial leverage, open-borders trade, and price speculation. The consolidation of the TNC-transnationalised state capitalist power bloc will reshape the Chinese soybean downstream complex and impose a new challenge to the state-led and national private bourgeoisie, as described in the following chapter.

¹¹¹ Translated by the author from the original “期货市场风险管理和价格发现功能的有效发挥，是包括中粮集团在内的实体企业得以稳健发展的。”

4.5. Conclusion

This chapter analysed a changing trajectory in the soybean downstream complex that consists of the following phases: 1) the transnational capitalist adaptation towards a larger presence in China's soybean processing sector and their alliance with the state-owned COFCO and Chinatex, 2) the transnationalised state capitalist rise from within these two Chinese SOEs, and 3) the development of a political agenda that amplified their class interests. I concluded that this trajectory set the foundations of a power bloc different to the one that the literature about state capitalism depicts.

State capitalism suggests that China's mid-1990s reforms created a stable and durable regime under the CCP's rule. However, in the first phase of the soybean sector's changes, the formation of a leading triad composed of COFCO, the Kuoks, and ADM challenged the political and economic prominence of state-led and national private capitalists. In the second phase, the leading triad expanded by subjecting soybean processing to the rules of finance. The transnationalised state bourgeoisie emerged from this process by partnering with foreign TNCs and transferring COFCO's and Chinatex's operation and management to offshore subsidiaries. In contrast to Harris' analyses, I noticed that this class fraction is substantially different from state capitalism. The transnationalised state bourgeoisie uses global business bases to push forward a finance-driven accumulation strategy through mechanisms of price speculation and capital market operations.

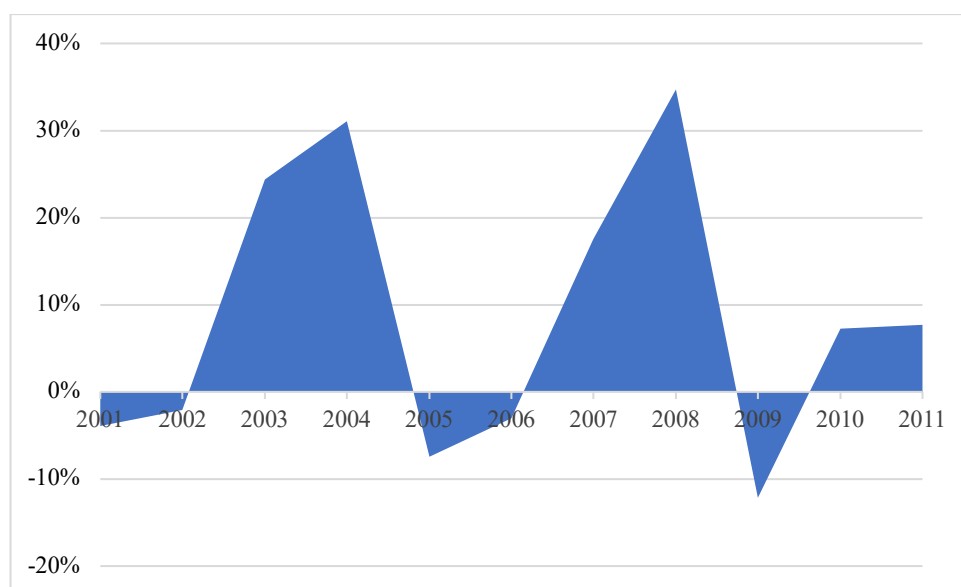
Regarding the last phase, whereas the literature on state capitalism takes the alliance between Chinese SOEs and foreign investors as a tool to halt capitalist expansion beyond state/party control, the new TNC-transnationalised state power bloc challenged the state/party political cohesion in the soybean downstream complex. These two class fractions lobbied for further financial speculation over soybean processing and trade. They took advantage of a political environment favouring economic liberalisation upon China's access to the WTO. As they amplified their political influence on both local and central levels, they benefited from new policies aligned with their class interests. The consolidation of the new power bloc and its consequences on power relations in the soybean downstream complex will be analysed in the next chapter.

Chapter 5: The Inter-capitalist Chess Board of China's Battle of the Beans (2003-2008)

5.1. Rethinking the Official Discourse on Food Security

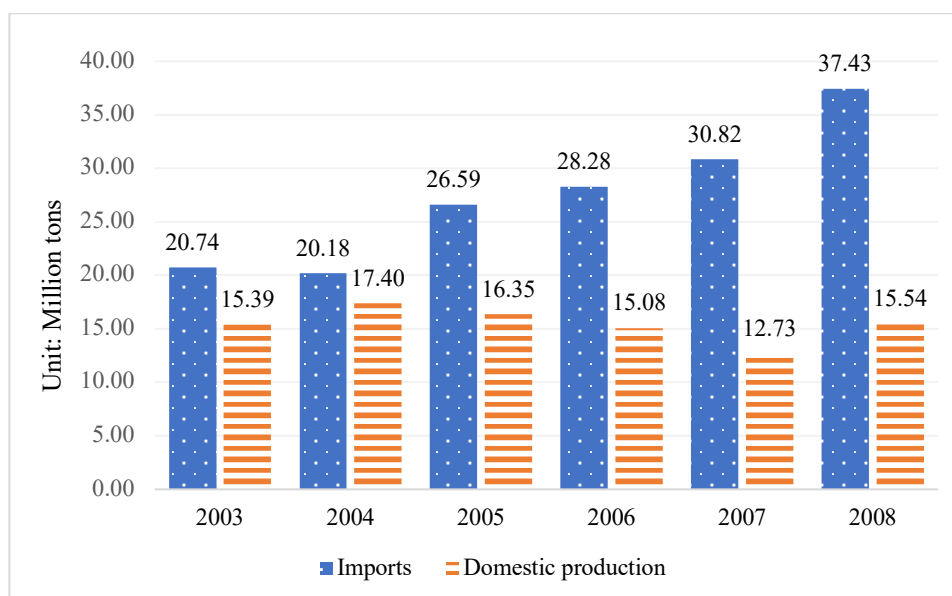
During 2003/2004 and 2007/2008, two global waves of price fluctuations hit the Chinese soybean downstream complex hard (Figure 25). Already in the first wave, when prices spiked, Chinese importers and processors overpaid approximately US\$1.5 billion compared to the previous period (Wen 2008). As a result, around 3,000 enterprises that could not absorb the losses went bankrupt (Cui and Zeng 2011, 11). Following the Chinese domestic debacle, foreign agribusiness transnationals took the opportunity to expand their processing capacity by refinancing and acquiring bankrupted enterprises. In the end, they obtained the direct or indirect control of 70 per cent of China's processing capacity (MARA 2009; cited in Yan, Chen, and Ku 2016, 374) — a phenomenon that became known as the “battle of the beans” (Lan 2010; see also Oliveira 2018). Meanwhile, the inflow of cheap and genetically modified (GM) soybeans under foreign agribusiness control aggravated the crisis of Chinese soybean agriculture and placed processing plants from North-east China on the edge of bankruptcy (Figure 26).

Figure 25: Percentual Change of Chinese Soybean Prices



Source: 'China Yearbook of Agricultural Price Survey' (2018); data compiled by the author.

Figure 26: China's soybean imports and domestic production



Source: *China Grain Yearbook* (2017) and General Administration of Customs (n.d.).

The foreign headway over domestic soybean farming and processing instigated the revival of a public debate about food security. In China, food security is traditionally related to the pursuit of food self-sufficiency since the Cold War period, when geopolitical conflicts and the US embargo threatened the country's food provision (Bramall 2009, 215; H. Zhang 2018). The official discourse around food security has adapted to the party ideology of the economic reform period (Lin 2017). Whereas the Maoist regime saw land redistribution and rural collectivisation as a precondition for food self-sufficiency, the current reformist administration favoured agricultural modernisation under large agribusiness (Zhan 2017, 160). Accordingly, Jiang Zemin administration (1993–2003) made a series of statements proposing the transition from an uncoordinated and low-scale production (*cufangshi jingying* 粗放式经营 in Chinese) to a large-scale coordinated production (*jiyueshi jingying* 集约式经营 in Chinese), which coincided with the promotion of dragon head enterprises as the main conduit for agricultural modernisation (Chapter 3) (Zhang and Donaldson 2008, 29).¹¹² As Zhan (2017) describes, with the rapid expansion of dragon head enterprises, “the government incentives to increase China's

¹¹² Among those statements, there is the 1996's Ninth Five-Year Plan, the 1997's Jiang's report to the 15th Party Congress, and the 1998's “Decisions by the Central Committee of the Chinese Communist Party on Several Key Issues in Rural and Agricultural Works” (Zhang and Donaldson 2008, 29).

grain production and policies for self-sufficiency have strengthened the alliance between the state and large capital, and placed small farming households at a disadvantage” (Zhan 2017, 151).

In line with the current reformist ideology, a wide range of Chinese scholars (Q. Guo 2010; 2008a; 2008b; Y. Guo 2012; X. Li 2009; Su 2009; Zhuang 2009) approached food security during the battle of the beans through the lens of an uncritical nationalist appeal (Yan, Chen, and Ku 2016, 384). They stress the distinction between Chinese and foreign ownership, condemning foreign agribusiness TNCs without questioning the forms of accumulation adopted by those TNCs and domestic capitalist class fractions of China’s soybean complex. By focussing on ownership control, the Chinese literature on food security could not entirely grasp the economic and political transformations that took place during the battle of the beans. For instance, as the foreign agribusiness transnationals expanded their soybean processing capacity and consolidated their world trade leadership, their Chinese allies, the transnationalised state capitalist COFCO and Chinatex, also grew. They shared the economic benefits of soybean price fluctuation with foreign counterparts and took over domestic processors through Sino-foreign joint ventures.

To understand COFCO’s and Chinatex’s economic and political role in the battle of the beans, I analyse their accumulation strategy and relations with the state while considering their early investments overseas. The following section discusses Oliveira’s (2017; 2018) research on this topic. Oliveira emphasises the agency aspects of Chinese sourcing strategies in Brazil. Instead of being guided by a clear plan strategically coordinated by Beijing, he suggests that the actions of Chinese enterprises were susceptible to change according to contextual and personal factors abroad. Accordingly, between 2003 and 2008, COFCO and Chinatex built direct trade relations with Brazilian cooperatives and commercial intermediaries for importing soybeans. However, as Oliveira (2018) points out, world price volatility and the subsequent crisis in the Chinese soybean complex discouraged these local players from partnering with Chinese enterprises, undermining COFCO’s and Chinatex’s independent sourcing strategy. Even so, given their economic resilience and favouring from monopolistic rights from the state, COFCO and Chinatex obtained the preferential collaboration of foreign transnationals, proving to be stable and attractive soybean importers. Just after facing hostility from these North Atlantic-based agribusiness TNCs in Brazil, the two transnationalised state capitalist enterprises were welcomed to purchase and transport soybeans from Brazilian ports with their help. In the end, the battle of the beans reconfigured the transnationalised state bourgeoisie’s

investment approach overseas, from independent sourcing to a “subordinated alliance” with their foreign counterparts.

However, I argue that by stressing the agency aspects of China’s changing sourcing strategies overseas, scholarship often incurs the risk of disconnecting it from broader political and economic analysis. Instead, I indicate through the lens of the Marxist uneven and combined development concept that COFCO’s and Chinatex’s outbound agricultural investments are deeply rooted in the different forms of capitalist accumulation at home. As Nogueira and Qi (2018) indicate, China’s recent integration into the world economy entailed intricate state-capital relations in which class conflicts underpinned changes in its political structures. I indicate that the agency factors that make Chinese enterprises change their sourcing strategies abroad are intimately connected with heterogenous capitalist expansion at home.

Section 5.3 indicates that COFCO’s and Chinatex’s association with agribusiness TNCs in Brazil consolidated their finance-driven accumulation strategy, which is at odds with China’s actual food security governance (discourse and policies). As the two transnationalised state capitalist enterprises developed a trade alliance with the transnational bourgeoisie, they further reproduced their investment methods. They overcame initial losses during the battle of the beans by expanding their business in trade derivatives and raising shareholder value through capital market operations.

As I analyse the consolidation of COFCO’s and Chinatex’s finance-driven accumulation strategy, I finally ask the question why they did not affect state politics and discourses around food security during the battle of the beans? To answer this question, one could raise the idea of state-market detachment, pointing out that state power in China is placed above specific capitalist interests, as often depicted by scholarship’s analyses on the Chinese state (Chapter 1). However, the reaction of state-led capitalists suggests a rather dynamic and interactive political nexus involving different economic interests in the soybean downstream complex. Accordingly, the rival capitalist class fractions appear to have acted within the state to halt COFCO’s and Chinatex’s expansion by pressuring official institutions to take measures against foreign ownership and price speculation, limiting the transnationalised state bourgeoisie’s association with agribusiness TNCs and further integration into global finance.

In order to contextualize the state-led and national private reaction, section 5.4 considers Jessop’s (1990) society-centred approach, which takes the capitalist state as an articulation of forms of power expressed within the broader society (Chapter 1). From this perspective, I show how the state-led Jiusan and Sinograin took advantage of new rural bias policies to create semi-official industrial associations under the support of China’s Ministry of

Agriculture. They instrumentalised the social discontent over China's soybean debacle through those associations by allying with processors and farmers (including small households). The state-led bourgeoisie's political articulation alongside the industry's discontent sectors contributed to an institutional dispute against the Ministry of Commerce, which backed the TNC-transnationalised state power bloc. In this context, the state-led Jiusan and Sinograin endorsed and took advantage of China's nationalist appeal over food security based on the Sino-foreign dichotomy to undermine the political influence of their transnationalised state capitalist rivals.

Considering the diverging accumulation strategies and power struggle in the soybean downstream complex, I conclude that food security is constantly evolving. Instead of a stagnant discourse, it reflects China's contradictory inter-capitalist relations. It endorses the idea that institutions and policies reflect diverging capitalist interests. In this sense, the battle of the beans was overall a battle over political power between the state-led bourgeoisie and the transnationalised state bourgeoisie. Behind the food security's nationalist appeal hides the vicissitudes of this intricate "battle".

5.2. Going Out for Food Security?

Inspired by critical global ethnography literature and agrarian change conjunctural discussions, Oliveira's (2017; 2018) analyses of Chinese investments in Brazil draws on the centrality of individual practices taken by government agents, agribusinesses professionals, and civil society. In his opinion, rather than automatically abiding by state-guided policies, Chinese enterprises situate specific territorial power relations and associated discourses both locally and globally. Through an actor-centred approach, he draws attention to the diversity and connectivity of each active individual and institution engaged in China's international expansion.

Chinese investment strategies in Brazil during the battle of the beans lend support to Oliveira's approach as they deviate from food security targets due to agential specificities. They took advantage of the Brazilian Workers Party's election in 2002 and the consequent tightening of China-Brazil relations to prospect sourcing opportunities in the country's soybean complex. During Hu Jintao's visit to Brazil in 2004, COFCO opened negotiations with Lula's government to facilitate the purchase of farmland for soybean plantations (Hu 2004). In turn, Chinatex, who had already opened a business office and hired personal in Brazil, consolidated

a partnership with large farm cooperatives and trading intermediaries from the Southern Rio Grande do Sul province (Oliveira 2017, 93). While Chinatex's partnership achieved successful results,¹¹³ COFCO showed more interest in merging with China Grains & Oils Group (CGOG), another Chinese SOE with early investments in Brazilian soybean supply. CGOG went to Brazil in the early 2000s and sought trade partnerships with local players. It signed a preferential supply agreement with the French/Brazilian agribusiness group Agrenco in 2004, from which it purchased a considerable amount of soybeans (Riveras 2005).¹¹⁴ With its merger in 2006, COFCO integrated CGOG's soybean trading business with Agrenco.

However, as Oliveira (2018) points out, the battle of the beans ruined early Chinese attempts to establish independent supply channels with local partners. The ABCD treated COFCO and Chinatex with particular hostility in Brazil to maintain their oligopolistic control over soybean exports. They refused to reach supply agreements with Chinese counterparts and imposed financial impediments on any potential Chinese partners from within their commercial network in Brazil (Oliveira 2018, 123). As foreign TNCs reinforced their global trade leadership during the Chinese soybean debacle, their boycott of Chinese investments in Brazil became even more effective. In addition to facing foreign animosity, in 2004, China imposed restrictions on contaminated soybeans from the Rio Grande do Sul province, which retarded Chinatex's shipments and provoked disagreements between them and local cooperatives (B. Li 2010; Oliveira 2018, 113).¹¹⁵ In turn, COFCO's trading partner Agrenco became the target of a Brazilian corruption investigation in 2008, damaging its reputation and ruining its business (Alves Pintar 2013; Freitas Jr. 2014). As a result, both COFCO's and Chinatex's commercial transactions in Brazil collapsed.

Against this background, one might ask how the transnationalised state bourgeoisie (represented by COFCO and Chinatex) placed itself within the global soybean supply chain. At first glance, they followed the same fate as other domestic players. After failing to establish independent sourcing in Brazil, trade speculation conducted by foreign TNCs affected

¹¹³ With the collaboration of its Brazilian partners, Chinatex had delivered direct shipments of 60 thousand tons and 550 thousand tons of raw soybean in 2003 and 2004, respectively (Oliveira 2017, 90).

¹¹⁴ From 2004 to 2006, CGOG purchased from Agrenco 400 thousand, 120 thousand, and 234 thousand tons of soybean each year (Trase n.d.; G. Zhang 2005).

¹¹⁵ With the government's approval of GM soybean in Brazil, local farmers disposed of their conventional soybean seeds by blending them with harvested GM crops. The presence of blended soybeans in shipments coming from Brazil called the attention of China's inspection authorities, which detained them for sanitary inspections (Oliveira 2018, 124).

COFCO's and Chinatex's businesses in China. In 2004, Chinatex, which had prepaid a high price for soybean imports, suffered losses of approximately US\$ 15 million due to price volatility (Oliveira 2018, 123).¹¹⁶ Meanwhile, COFCO stated in its annual report that "the soaring price of soybean and other raw materials in the first half of 2004 brought great challenges to the Company and had a serious negative impact on the overall performance of the Company" ('COFCO International Annual Report' 2005).

Amidst COFCO's and Chinatex's decline, the foreign transnational bourgeoisie gained more autonomy and structured a more cohesive corporate power in China. For instance, in 2007, the Kuok family unified into a single conglomerate. The Kuok Brothers Group merged into Wilmar International as the second shareholder with 31.0 per cent shares, just behind Kuok Khoon Hong's and Martua Sitorus's Wilmar Holdings, that held 48.5 per cent shares (ven Gelder 2007, 5). The Kuok's unification strengthened the family's monopolistic power in China as their Chinese branches Yihai and Kerry were a leading soybean processor and oil refiner, respectively (Q. Guo 2008a, 6).¹¹⁷ Moreover, Wilmar International reformed its ownership structure towards more centralised control. The company acquired all the shares owned by ADM and its affiliated soybean processing enterprises in China. In change, ADM acquired 19.6 per cent shares in Wilmar Holdings and a 6.7 per cent shares in Wilmar International ('Wilmar International Annual Report' 2008). This restructuring allowed Wilmar International to become the major shareholder of joint ventures that were previously composed equitably by ADM, Wilmar, and COFCO.¹¹⁸

However, although the transnationalised state bourgeoisie lost centrality within the dominant power bloc, its remaining political influence enabled this class fraction to continue receiving generous state support through rentier forms of accumulation. Indeed, COFCO and Chinatex benefited from politically constituted property rights (Vergara-Camus 2021; Vergara-Camus and Kay, 2018; 2017), acquiring monopoly rights as they accessed the state. For instance, besides merging with CGOG, from 2004 to 2006, COFCO also integrated seven big agri-food companies, including the state-owned China Native Produce & Animal By-Products Import & Export Corporation (China TUHSU) (Table 4).¹¹⁹ As those merges and acquisitions

¹¹⁶ Currency converted by the author based on 2022 rate (1RMB = 0,15 US\$).

¹¹⁷ Pei, Chuanfa. 2019. (Research Director of BRIC Agri-Info Consulting), in discussion with the author via phone call, 2 January 2019.

¹¹⁸ In 2007, Wilmar became the main shareholder of South-seas Oils & Fats Industrial (Chiwan) Limited, and Great Ocean Oil & Grain Industries (Fang Cheng Gang) Company.

¹¹⁹ When COFCO incorporated China CGOG and TUHSU, the two companies generated relatively low profits. However, the return on assets rate if these two SOEs was considerably higher than the state-led

were guided and approved by the State Council’s SASAC, the Chinese media assumed that the government recognised and supported COFCO’s leadership in the agri-food sector (Xiao 2006). The media’s assumption was reinforced by the fact that between 2004 and 2008, COFCO benefited greatly from the state’s financial support, receiving an increasing number of subsidies (Figure 27). Moreover, in 2008 and 2009, the State Council pointed Chinatex as one of the four most relevant Chinese agribusiness SOEs. Its new status allowed Chinatex to invest massively in soybean processing despite the government’s concerns on industrial overcapacity (Y. Jiang 2010; Tang 2010). According to Tian Renli, the state-led Jiusan’s Chairman, and Shi Kerong, the national private Hopefull’s Chairman, Chinatex’s venture in the soybean processing sector would not have been possible without the governments’ preferential assistance (Tang 2010; cited in Oliveira 2017, 99).

Table 4: COFCO’s Merges and Acquisitions

Year	Merges	Acquisitions
2004	China Native Produce & Animal By-Products Import & Export Corporation (China TUHSU)	
2005	Xinjiang Tunhe Investment Co.	
2005	Xinjiang Sifang Sugar (Group) Co.	
2005		China Resources Biochemical (37.03% shares)
2005		China Resources Alcohol
2005		Jilin Fuel Ethanol (20% shares)
2006		BBCA Biochemical
2006	China Grains & Oils Group	

Source: COFCO's official website (COFCO n.d.). Data compiled by the author.

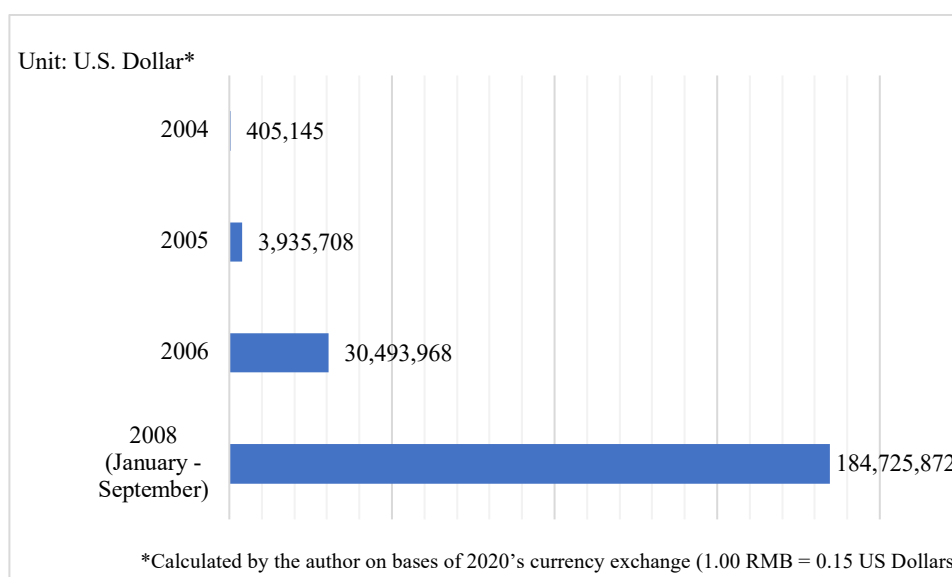
capitalist Sinograin (Table 5). Among the 190 centrally-controlled SOEs, they figured on the 98th and 101st position, respectively, while Sinograin figured on the 174th position (*China State-Owned Assets Supervision and Administration Yearbook 2004*).

Table 5: Economic indicators of Chinese central agribusiness SOEs in 2003

Unit: Billion RMB	Revenue	Return on Total Assets
COFCO	35.09	3.8
CGOG	12.4	2.8
Sinograin	11.38	0.9
Chinatex	10.01	3.7
China TUHSU	4.81	2.9

Source: *China State-Owned Assets Supervision and Administration Yearbook* (2004).

Figure 27: Central State Subsidies to COFCO



Source: China Lianhe Credit Rating (Huang and Liu 2010, 2008); data compiled by the author.

Therefore, despite suffering from limited sourcing power overseas, COFCO's and Chinatex's privileged political status in China provided them with a robust financial capacity to absorb the losses of price fluctuations. As COFCO and Chinatex showed economic resilience, they were still seen by foreign transnational capitalists as a useful gateway to expand their bases of accumulation in China. As COFCO's Chairman Zhou Mingchen made clear in an interview with the Chinese 21st Century Business Herald,

cooperation is based on strength. Through a series of changes in these years, COFCO has continuously strengthened its own business. This should be an important

prerequisite for multinational companies to be willing to cooperate with COFCO. (Jin 2003)¹²⁰

As for the soybean downstream complex, during the first wave of soybean price fluctuations in 2004, Chinatex fulfilled its import contracts while most other Chinese players defaulted. The company's resilience became a vote of confidence for its transnational capitalist allies in Brazil. Even though the ABCD hindered China's sourcing strategy and, consequently, reinforced their trade oligopoly, they still needed a reliable partner to sell out their soybean in China (Oliveira 2018). As the head of Chinatex's subsidiary in Brazil said in an interview with Gustavo Oliveira,

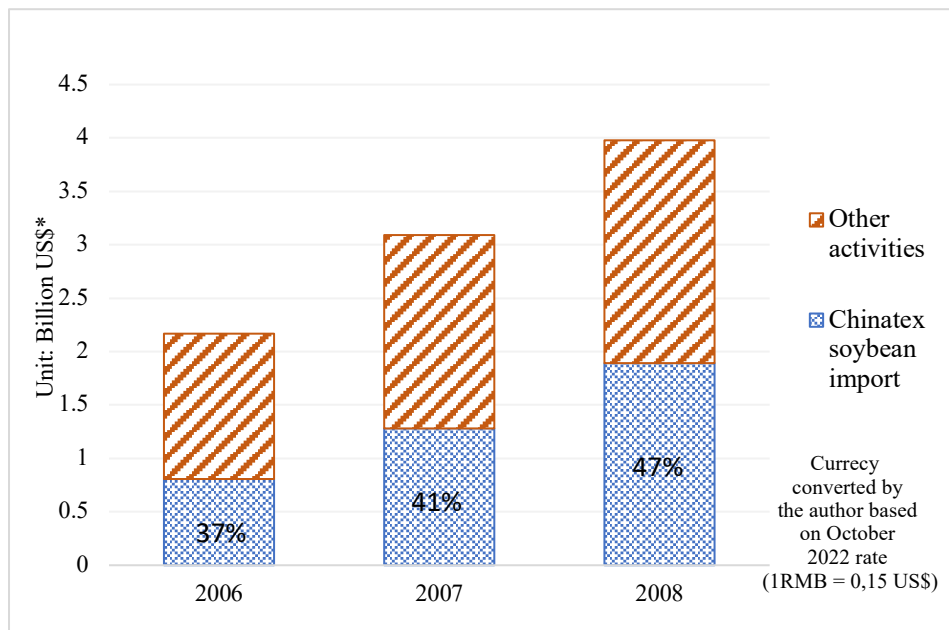
we earned our reputation that year [in 2004] because we fulfilled our contracts and never defaulted, like some other companies... Since then, the big trading companies, the ABCDs, their attitudes changed. They still would not sell directly to many Chinese buyers [in Brazil], but they accepted our challenge to reduce their risk of exposure (Oliveira 2018, 126).

As a result, although COFCO and Chinatex sought independent soybean sourcing overseas in line with China's food security strategy, local and transnational agency factors made them adjust their investments in Brazil towards a subordinated alliance with foreign TNCs. From 2006 to 2008, Chinatex imported 9.36 million tons of soybeans through contracts with the ABCDs, accounting for around ten per cent of all China's soybean imports (China Merchants Bank 2010). As a result, during the same period, Chinatex's revenue from soybean imports increased from US\$ 810 million to US\$1.89 billion and occupied an increasing portion of the company's total revenue (Figure 27). COFCO, in turn, reached preferential supply agreements with ADM and Wilmar International. In 2008, its Hong Kong's subsidiary China Agri imported the equivalent of US\$ 277 million from ADM,¹²¹ most of which consisted of soybeans ('China Agri Annual Report' 2009).

¹²⁰ Translated by the author from the original “合作是建立在实力的基础上的.中粮通过这些年的一系列变革,自身实力不断增强,这应该是跨国公司愿意跟中粮合作的一个重要前提.”

¹²¹ Currency converted by the author based on 2022 rate (1RMB = 0,15 US\$).

Figure 28: Chinatex's revenue from soybean imports and other activities



Source: *China Merchants Bank (2010)*; data compiled by the author.

Notwithstanding, even though Oliveira acknowledges that Chinese agricultural investments in Brazil are dynamic and carry diverging economic interests, he does not go deep into its implications on power relations in China. Thereby, Chinese corporate actions in Brazil seem detached from broader processes of capitalism expansion. His analysis on this issue lacks a more accurate depiction of China's political economy from which food security discourse and policies emanates. In order to fulfil this gap in the literature, the following section examines through the lens of uneven and combined development how the reconfiguration of Chinese investment overseas affected COFCO's and Chinatex's accumulation strategies in the Chinese soybean downstream complex.

5.3. Further Capitalist Accumulation Integrated to Global Finance

During the battle of the beans, a wide range of Chinese scholars approached food security by stressing the distinction between Chinese and foreign ownership, in line with China's current reformist ideology. They condemned foreign agribusiness TNCs without questioning the forms of capitalist accumulation (adopted by either those TNCs or domestic conglomerates) in the soybean downstream complex. For instance, Guo Qingbao (郭清保 in Chinese), the chief information editor of *China Oils and Fats* magazine, despite being aware of the nuances in China's agribusiness strategies, never got to question the free soybean trade. He described how the ABCD used speculative trade operations in the Chicago Board of Trade to

expand their processing capacity in China while attesting the potential benefits of soybean imports to private processing plants from coastal regions (Guo 2008a; 2008b; 2010). In turn, Li Guoxiang, a vocal scholar of the Institute of Rural Development of the Chinese Academy of Social Sciences, drew lessons from the Chinese debacle by advocating measures to block foreign-owned oligopolies. At the same time, he believed that foreign investments helped enhance Chinese agribusiness' modernisation if subject to "fair competition" in China and abroad (Zhuang 2009). Other scholars (Li 2009; Su 2009; Guo 2012) placed great emphasis on how to preserve Chinese soybean processing by supporting the vertical integration of agri-food enterprises with domestic agribusiness.

By focussing on ownership control, the "official" literature on food security could not entirely grasp the economic and political transformations brought about by COFCO and Chinatex. Notably, although the foreign TNCs strengthened their corporate power during the battle of the beans, the growing trading relations between them and the transnationalised state capitalists consolidated their alliance in China. For instance, in the late 2000s, COFCO became a minor shareholder of Wilmar International, holding 5 per cent of its shares. Meanwhile, Yu Xubo (于旭波 in Chinese) and Lu Jun (吕军 in Chinese), two COFOC's senior executives, integrated the board of directors of Wilmar International and Wilmar Holdings, respectively ('Disclosable Transactions Continuing Connected Transactions' 2009, 52; Murphy, Burch, and Clapp 2012, 41). The exchange of directors, along with the remaining joint ownership of soybean processing assets, allowed the transnationalised state capitalists to obtain privileged information on trade and avoid risks of world price volatility. As Zhang Dongfeng (张东风 in Chinese), the general manager of COFCO's Oils and Fats Department said in an interview with the Chinese journal *Agricultural Economics* in 2010,

our company's shareholders [ADM and Wilmar International] are well aware of the supply and demand tendencies and price changes of oilseed crops in the international market, and they can turn their experience and advantages in international trade into advantages for our procurement costs. (Qu 2010, 74)¹²²

Moreover, since COFCO and Chinatex were still one of the few Chinese companies licensed by the government to import and export soybeans, they continued developing financial mechanisms of price speculation, such as futures bounds. Once again, they benefited from politically constituted monopoly rights to grow through rentier strategies of accumulation.

¹²² Translated by the author from the original "公司的股东对国际市场 油料作物的供求趋势和价格变化了如指掌, 可以将其国际贸易中的经验和优势 转化为成本采购上的优势。"

While sharing privileged information with their foreign transnational capitalist allies, they knew in advance the demands of Chinese soybean processing enterprises that relied on them to secure soybean imports (Teng 2010, 21). Therefore, COFCO and Chinatex overcame initial losses and benefited from the price volatility of the world soybean trade – which contributed to their rising profits from 2003 to 2009 (Table 6). As COFCO’s executive Yu Xubo said to the COFCO Qidefeng online platform,

we suffered losses [in 2004] because we entered in the market too early and bore an enormous hedging scale (...). “in 2006 and 2007, though, COFCO saw the whole agricultural futures market tendency correctly and, in the end, was able to make money. (Yu 2020)¹²³

Table 6: COFCO's and Chinatex profits

Unit: Billion RMB	2003	2006	2007	2008	2009
COFCO	1.25	3.31	5.54	7.58	8.21
Chinatex	0.21	0.34	0.52	0.32	0.48

Source: *China State-Owned Assets Supervision and Administration Yearbook* (2004); Ding, Huang, and Liu 2007; Huang and Liu 2010).¹²⁴

Therefore, contrary to what the food security narrative centred on the dichotomy between Chinese and foreign ownership would suggest, COFCO and Chinatex avoided the same fate of most Chinese enterprises. By benefiting from world soybean price fluctuations in collaboration with the ABCD, they replicated the foreign headway in the Chinese soybean processing sector. For instance, from 2006 to 2009, Chinatex invested over US\$ 300 million to acquire nine soybean crushing and refining enterprises and lease two other soybean processors (China Merchants Bank 2010, 12; Tang 2010).¹²⁵ By 2009, Chinatex had the third largest soybean processing capacity in China, ahead of the state-led capitalist Jiusan (Figure 29). As Guo Qingbao said in 2010,

their [Chinatex’s] strategy is very similar to the way foreign capital enters China. First, they set up trading companies abroad and organize supply sources, and then expand to

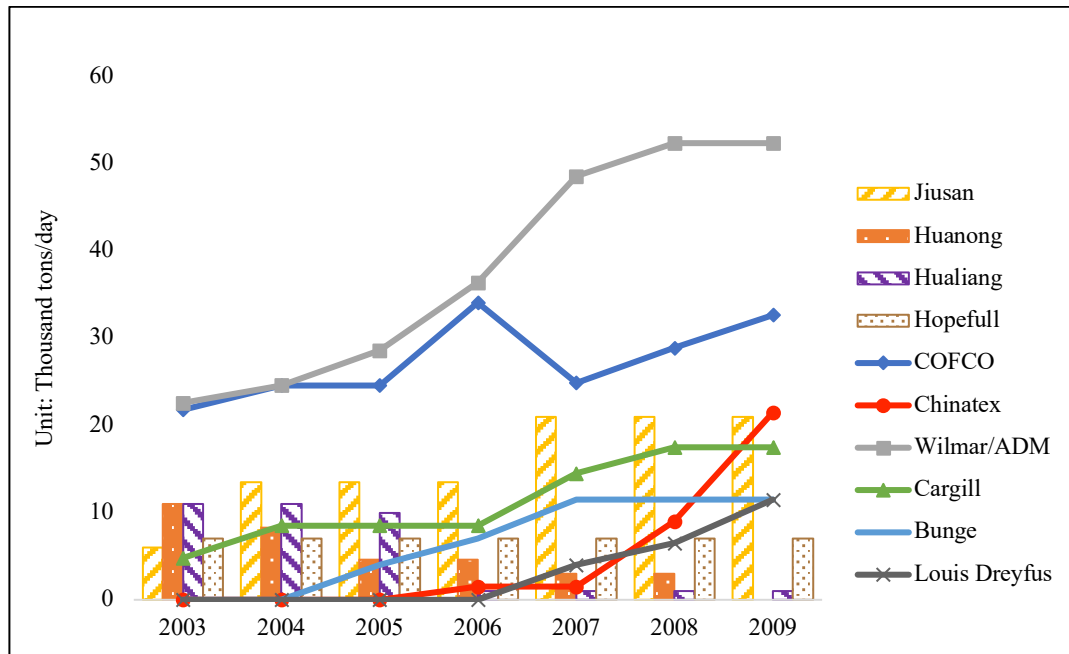
¹²³ Translated by the author from the original “由于入市过早，保值规模大，也为此承受了一些浮亏压力(...)2006年、2007年，虽然中粮在整个农产品期货市场看对了方向，最后也赚了钱。”

¹²⁴ The Chinese official yearbook did not announce profits related to 2004 and 2005.

¹²⁵ Currency converted by the author based on 2022 rate (1RMB = 0,15 US\$).

the downstream of the industrial chain by merging and acquiring processing enterprises. (B. Li 2010)¹²⁶

Figure 29: Soybean processing capacity of state-led and national private capitalist enterprises (columns) and transnational and transnationalised state capitalist enterprises (lines)



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.); data compiled by the author.z

While the foreign agribusiness transnationals bought over processing assets of Dalian Huanong and Dalian Hualiang – China’s leading national private capitalists – during the first wave of soybean price fluctuations, Chinatex did the same during the second wave.¹²⁷ Between 2008 and 2009, the Chinese SOE joined ADM and other foreign consortiums to acquire Hualiang’s crushing plant in Shenyang (Jindou Food Limited Company), Sichuan (Fengyuan Food Company), and Fujian (Jinshi Biological Protein Technology Company) (Y. Jiang 2010). In all these three acquisitions, Chinatex became the major shareholder. Besides, Chinatex invested alongside other foreign partners in three more Chinese private-owned oilseed

¹²⁶ Translated by the author from the original “他们发展思路很像外资进入中国的方式，先在国外设立贸易公司、组织货源，然后再扩展到产业链的下游，投资并收购加工企业” (B. Li 2010).

¹²⁷ From 2004 to 2007, Cargill acquired Huanong’s Dongguan crushing plant, ADM’s partner Toepfer International acquired 30 per cent of Huanong’s Zhanjiang crushing plant, Bunge acquired the Nanjing crushing plant, and Louis Dreyfus acquired the one in Bazhou (F. Wang 2006; World Grain 2006; Yibin Zhou 2010).

processing plants and prospected the construction of a soybean crusher with Louis Dreyfus in the port of Rizhao, Shandong province (Q. Guo 2008a; Y. Jiang 2010).

In the same way, COFCO expanded its processing capacity despite losing the major shareholding control of two large crushing assets to Wilmar International. Between 2003 and 2009, the company built/acquired three new soybean crushing plants, one with ADM, one under the direct ownership of COFCO's subsidiary in the tax haven British Virgin Islands, and the last one under the major ownership of Well Grace Holdings International, an obscure intermediary financial holding linked to COFCO Hong Kong.¹²⁸ The company also upgraded some of the already existing crushing plants it built with agribusiness TNCs,¹²⁹ and transferred the newly absorbed plant from CGOG in the southern port of Dongguan to Time Triumph Limited, another Hong Kong financial holding. Besides, through mergers and acquisitions, COFCO integrated into other segments related to the soybean complex. It incorporated China TUHSU's large-scale livestock production and trading business, as well as CGOG's leading agricultural distribution network and marketing (Xiao 2006).

Thus, the transnationalised state bourgeoisie's persistent alliance with foreign TNCs contradicted the Chinese nationalistic appeal around food security. Their expansion through speculative investments jeopardised China's pursuit of food self-sufficiency – contributing to the exposure of local farmers to foreign competition and leading to the bankruptcy of domestic soybean processors. In line with the concept of uneven and combined development, COFCO's and Chinatex's strategy reveals how different levels of integration into the global economy enable different forms of capitalist accumulation linked to heterogeneous socio-economic structures at home. Instead of a linear historical process, capitalist expansion spurs different production units, forms of accumulation, and socio-economic structures that coexist with each other considering national specificities (Chapter 1). In the Chinese context, the transnationalised state bourgeoisie's subordinated alliance with foreign agribusiness TNCs for importing soybeans consolidated their finance-driven accumulation at home.

Accordingly, already in December 2006, Chinatex Planning Institute and the European and American Students Association held the first "Chinatex Capital Forum" to discuss the company's overseas financing, capital operation, and brand strategy (EASA 2006). In the

¹²⁸ COFCO's new crushing plants are Cofco ADM Cereals and Oils Industry (Heze) Co., Xiangrui Cereal & Oil Industry (Jingmen) Co., and Excel Joy (TianJin) Co.

¹²⁹ The upgraded plants are COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., COFCO Yellow Sea Grain and Oil Industry (Shandong) Co., COFCO Xinsha Grain and Oil Industry (Dongguan) Co., Great Ocean Oil & Grain Industries (Fang Cheng Gang) Co., and COFCO OILS (Qinzhou) Co.

following year, Chinatex headquarters in Beijing entered into negotiations for a company-wide merger with Olam, a thriving Singaporean-based agribusiness transnational. Olam was a strong competitor of Chinatex in the cotton trading sector and had plans to diversify into soybean sourcing and processing. Its merger with Chinatex aimed to build an international platform that combined both companies' cotton imports in China and their soybean processing and trading businesses ('Olam Annual Report' 2007; cited in Oliveira 2017, 97).

As for COFCO, some finance-friendly executives reached higher corporate positions and promoted further internal reforms in line with the transnationalised state capitalist class interests. For instance, the futures business expert Yu Xubo became COFCO's Deputy General Manager in 2000 and General Manager in 2007.¹³⁰ In turn, Ning Gaoning (宁高宁 in Chinese), a liberal enthusiast and advocator of financial deregulation, left the big Chinese state trader China Resources to become COFCO's new Chairman in 2004.¹³¹ At COFCO, Ning was more audacious than the former Chairman Zhou Mingchen (Yi Zhou 2005, 35).¹³² He pushed forward a liberal ideological crusade and gave greater power to COFCO's offshore subsidiaries to develop finance-related businesses.¹³³ Accordingly, in 2006, COFCO established the new subsidiary China Agri-Industries Holdings Limited (China Agri) and listed it in the Hong Kong stock exchanges. China Agri absorbed some of COFCO's mainland assets and concentrated most of COFCO's companies, including COFCO International, the primary responsible for COFCO's soybean processing business. China Agri issued an unprecedented amount of capital

¹³⁰ In the late 2000s, Yu Xubo also became the director of COFCO Hong Kong and related companies, such as China Agri, COFCO British Virgin Islands, and Wide Smart Holdings ('Disclosable Transactions Continuing Connected Transactions' 2009).

¹³¹ During his time ahead of China Resources, Ning promoted the listing of essential subsidiaries like the CR Enterprise. He also associated with foreign financial firms to development securities business and to prospect a new bank in Mainland China (Jie 2003, 74). However, due to the company's internal opposition to his finance-driven strategy, he concluded that "China Resources was not familiar and qualified enough for developing financial businesses" (Yi Zhou 2005, 35). As COFCO's new Chairman, though, Ning Gaoning had enough room to accomplish his goals.

¹³² As later became public, the former Chairman Zhou Mingchen had a relatively more cautious approach to COFCO's integration into global finance. After leaving the company, he was elected Member of the Tenth National Committee of the Chinese People's Political Consultative Conference. Hence, he made several public statements against China's rush into stock exchange markets, raising the slogan "listing is not fashionable" (F. Guo 2007).

¹³³ Ning Gaoning recommended COFCO's employees to read two well-known liberal "business manuals", the "Built to Last: Successful Habits of Visionary Companies" and "Confronting Reality: Doing What Matters to Get Things Right" (Wei 2005). Besides, during COFCO's high-level strategy seminars, Ning Gaoning proposed a business model similar to China Resources Group, with integrated business units overseas having a flexible financial strategy (Xiao 2006).

stock and contributed to the multiplication of offshore firms,¹³⁴ that reached the vast number of 164 in 2013.¹³⁵

As we can see, transnationalised state bourgeoisie's expansion during the battle of the beans was progressively inclined to price speculation from soybean imports. To understand the broader implications of their accumulation strategy to China's food security governance, we should consider its political nexus vis-à-vis other capitalist class fractions. How did COFCO's and Chinatex's finance-driven expansion play out as a contradictory aspect of the state in China? Did they affect and were affected by state policies, transforming power relations in the soybean downstream complex? In order to address these questions, the following section investigates the interconnectivity between China's heterogenic capitalist formation and state-capital relations.

5.4. Reacting by Building Broad Alliances

Given that, during the battle of the beans, the "official" literature on food security endorsed an uncritical nationalist appeal based on a Sino-foreign dichotomy, one could argue that China's agrarian capitalist expansion is devoid of political influence. In other words, the transnationalised state bourgeoisie's consolidation would not affect and transform state policies regarding food security. However, by analyzing the adaptation and reaction of the rival state-led bourgeoisie (and to a certain extent, the national private bourgeoisie), I indicate that Chinese agri-food policymaking is rather mutable and interrelated with inter-capitalist disputes. Their adaptation and reaction follow Jessop's (1990) society-centred approach, in which the state internalizes forms of power and class struggle expressed within the broader society. As such, contradictory class interests can generate disputes and alliances between different fractions of the bourgeoisie that the state support seek through political action (Chapter 1).

From this perspective, we can see that due to diverging capitalist class interests acting within the state, COFCO's and Chinatex's economic prominence during the battle of the beans did not revert mechanically to preserving a hegemonic power bloc. The two transnationalised

¹³⁴ By the end of 2007, the proportion of minority shares reached 30.66 per cent, part of which belonged to Yu Xubo, Ning Gaoning, and other transnationalised state capitalist executives ('China Agri Interim Report' 2008, 13; Huang, Liu, and Li 2008, 4).

¹³⁵ Most of COFCO's offshore firms were incorporated in remote locations known as tax havens, such as the British Virgin Islands (84 firms), Samoa (16 firms), and Bermuda (2 firms) (China National Tax Administration Bureau 2013).

state capitalist enterprises contradicted China's food security governance, though they did not generate alternative discourses and policies. Instead, they faced the political hostility of state-led capitalists, who used food security's nationalist appeal to hinder any further finance-driven expansion associated with foreign capital.

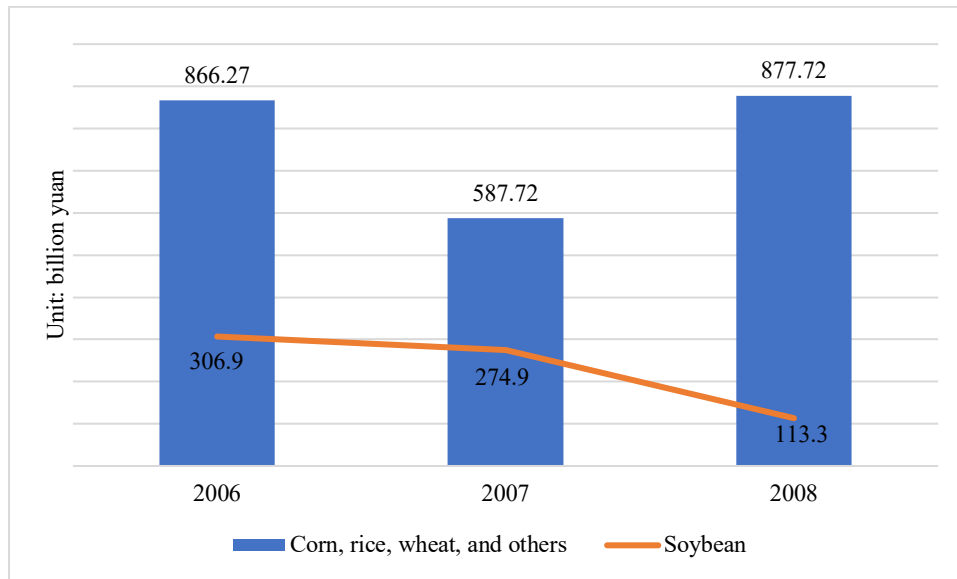
Accordingly, at first glance, the state-led bourgeoisie and remnants of the national private bourgeoisie made clear attempts to adjust their accumulation strategies, moving away from domestic circuits of production and consumption under the strict control of Beijing's headquarters. In 2007, the state-led Sinograin, which had complete ownership control of its soybean processing assets, held talks with Bunge and Louis Dreyfus for joint investment in a crushing facility at the Southern Dongguan port (Q. Guo 2008a, 8; World Grain 2007). In turn, the state-led capitalist Jiusan, who until then repudiated practices of offshore tax evasion (S. Wang, Wang, and Wei 2013), partnered with the Hong Kong food trading intermediary Xinglong Grains and Oils to invest in two soybean crushing plants in 2004 and 2007.¹³⁶ Thereby, the Hongkongese counterpart held 11 per cent of Jiusan's total soybean processing capacity and facilitated Jiusan's access to the region's free trade system and loosen tax regulations. In the same way, in June 2005 the national private capitalist Hopefull established a subsidiary in Hong Kong and transferred to it an important portion of its transportation, storage, management, and logistic operations. One year later, Hopefull changed its subsidiary's name from Hopefull (Hong Kong) International Trade Corporation to Honouround (H.K.) International Trade Corporation ("Qichacha [Enterprises Investigation]," 2019), probably not to call the public attention on its business practices offshore.

However, the strategic political role of enterprises like the state-led capitalists Jiusan and Sinograin reduced their room for economic adaptation. Jiusan, as an SOE from Heilongjiang – China's leading soybean-producing province – and Sinograin, as a manager of the central state grain reserve, were crucial to the state macroeconomic policy for agricultural supply and price control. As so, they also depended on the party/state legitimacy to carry out their accumulation strategy. During the battle of the beans though, following the crisis of processing enterprises from North-east China, Jiusan's parent company Beidahuang Group dropped its soybean sales drastically (Figure 30). The shortening of Beidahuang's supply discouraged local farmers from growing soybean and aggravated, even more, the decline of China's processing sector. Against this background, to safeguard Heilongjiang's soybean

¹³⁶ The crushing plants are Jiu San Group Tianjin Soya Science And Technology Co., and Huiyu Feed Protein(Fangchenggang) Co., Ltd.

production, the provincial reserves stockpiled domestic soybeans, and Jiusan purchased them whenever soybean import prices plummeted. Therefore, from June 2004, rather than benefiting from cheap imported soybeans, Jiusan paid 1-2 cents higher than the market price for each ton of domestically produced ones (Yanpeng Chen 2014).

Figure 30: Direct sales of Heilongjiang Beidahuang Agriculture Group's main agricultural products



Source: Heilongjiang Agriculture Company Limited, cited in Zhao and Liang (2009).

The state-led bourgeoisie's limits for economic adaptation propelled it to take political actions against the overflow of imported soybeans into the Chinese market. The efforts of Heilongjiang province to sustain the domestic production coincided with attempts to create a market niche for non-transgenic soy-food processing in China. Accordingly, in the early 2000s, the central government prohibited the manufacturing of genetically modified (GM) soybeans as food ingredients for human consumption – except soybean oil, which is a subproduct of soybean meal production.¹³⁷ Thereby, Chinese farmers, who were only allowed to plant non-GM soybeans, gained an exclusive selling market for soy-food processing. Meanwhile, local agribusiness was encouraged to diversify its business within the tempted market niche. For

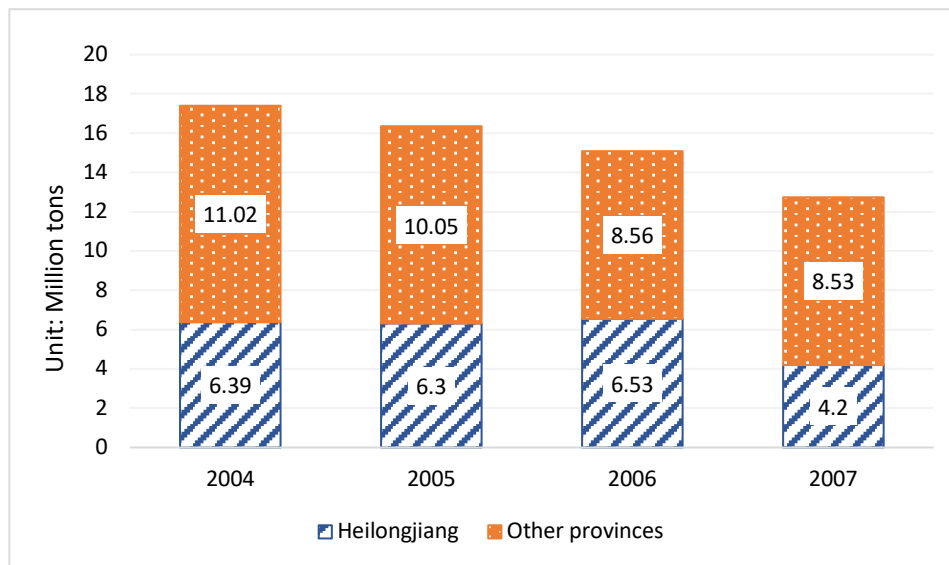
¹³⁷ In a personal interview with the author, a Senior Official of China's Ministry of Agriculture suggested that the government claims to allow the domestic production of GM soybean oil is based on the belief that the oil extracted from GM crops is not transgenic (Chen, Yulin, [Senior Official of the Ministry of Agriculture and Rural Affairs of the People's Republic of China], in discussion with the author. Beijing, 12 October 2018).

instance, Jiusan increased its production and sales of powdered phospholipids (a food-item ingredient) and specialised in non-GM soybean oil from domestically produced soybeans (Bu and Jiang 2010, 55).

Nevertheless, the formation of a market niche for domestic non-GM soybeans was not enough to recover the state-led economic burden from the battle of the beans. As Jiusan's Chairman Tian Renli noticed in an interview with the Chinese journal *Agricultural Economics*, China's soy-food consumption was still very restricted and generated few economic returns compared to soybean meal and soybean oil (Bu and Jiang 2010, 56). Besides, agribusiness transnationals launched great investments in processing infrastructure in North-east China, increasing the competition over non-GM soy-food production (Su 2009, 39; E. Wang 2010, 36). As a result, state-owned grain enterprises from Heilongjiang province, which Jiusan's parent company Beidahuang was the biggest by far, had losses of over US\$ 86 million in 2007 (*China Grain Yearbook 2007*).¹³⁸ Lastly, whereas the new protective policies secured short-term stability in Heilongjiang's soybean production, between 2006 and 2007, it began to drop again from 6.53 million tons to 4.2 million tons (Figure 31). Consequently, the disruption of local supply inflated soybean oil prices and generated social chaos. In December 2006, the population of Harbin, Heilongjiang's capital city, rushed to supermarkets to buy soybean oil before they could rise again (L. Jiang 2007).

¹³⁸ That was three and a half times lower than the average profit of all China's state-owned grain enterprises, evaluated at around US\$24,61 million. All values were calculated by the author on bases of 2020's currency exchange (1.00 RMB = 0.15 US Dollars).

Figure 31: China's soybean output



Source: *National Bureau of Statistics of China (2009)*; data compiled by the author.

As the social chaos and economic uncertainty put the political legitimacy of related officials at risk, Jiusan had no choice but to adopt a more assertive political approach against the foreign headway (and COFCO's and Chinatex's associated expansion) into the Chinese soybean complex. Therefore, even though state-led (and some national private) capitalist enterprises had changeable economic aspirations, their critical political role in China made them radically reactive. For instance, as the Chinese media unveiled the intention of agribusiness TNCs to acquire Jiusan's soybean processing assets after the first wave of price fluctuations, Jiusan's Chairman Tian Renli firmly rejected it. As he said to the *Open Times Journal*,

in fact, the American ADM has long been eyeing us, and then the US Bunge and Cargill have also contacted me. They are interested in my crushing capacity of 15,000 tons per day, But I'm protecting China's last soybean hub, I am stiff. (S. Wang, Wang, and Wei 2013)¹³⁹

Hence, Jiusan's and Sinograin's new political approach corresponded to the Chinese official discourse on food security. It upheld an uncritical nationalist appeal, assimilating China's traditional pursuit for food self-sufficiency with agricultural modernisation under

¹³⁹ Translated by the author from the original “其实美国 ADM 也早就盯上了我们，随后美国邦吉、嘉吉也都找过我，他们看上的是我的压榨能力，1.5 万吨/日，但是我在守护中国最后的大豆，我在硬挺。”

capitalist imperatives. Their stance corresponds, using the words of China's Medium and Long-Term Framework Plan for National Food Security (2008–2020), to “the principle of relying on domestic food supply” and reinforcing “the construction of an agricultural market system based on free competition as the main vector of recourse allocation” (NDRC 2008).¹⁴⁰

As Jiusan's claims echoed in the Chinese official media, related state institutions ratified the stance on food security that aimed to stabilize soybean prices and reduce China's reliance on imports. For instance, China's National Development and Reform Commission (NDRC), the State Council agency in charge of broad macroeconomic management, held direct talks with Jiusan's representatives and the representatives of other leading soybean processors. The NDRC also conducted investigations on the soybean crisis, which included several visits to Heilongjiang province (Cao and Guo 2006). Consequently, it proposed measures to improve China's trade regulations and import logistics. In July 2006, the NDRC encouraged Sinograin to expand the national soybean reserves and integrate provincial level grain reserves (Lin 2017, 126). It also suggested the creation of a joint procurement mechanism for importing soybeans composed of several big Chinese agribusiness – probably including Jiusan and Sinograin (Cao and Guo 2006).

As one can imagine though, the NDRC ratification of China's food security approach exacerbated inter-capitalist disputes, putting the state-led capitalists Jiusan and Sinograin on opposite sides of the transnationalised state capitalists COFCO and Chinatex and their foreign allies. A joint procurement mechanism and the strengthening of national soybean reserves threatened COFCO's and Chinatex's trade monopoly and capacity to manipulate prices. Therefore, as soon as the NDRC guidelines were approved, disagreements emerged, and industrial insiders attempted to prevent them from coming into effect (Cao and Guo 2006).

Amidst increasing rivalry, executives and state officials related to Jiusan and Sinograin took advantage of the nationalistic appeal of China's official food security discourse to gather political support. They made efforts to build a unitary political platform alongside Chinese enterprises on the edge of bankruptcy. Such efforts translated into the creation of the China Soybean Industry Association (CSIA) in 2007 – a semi-official union of 32 soybean processors, politicians, individuals related to the industry, and scholars (L. Li 2007). Jiusan, its main sponsor, sought state recognition to create the CSIA already in 2003 (Suo 2007b). However, it faced the opposition of the Ministry of Commerce, that advocated COFCO's and Chinatex's

¹⁴⁰ Translated by the author from the original phases “坚持立足于基本靠国内保障粮食供给,” and “加强粮食市场体系建设, 促进粮食市场竞争, 充分发挥市场在资源配置方面的基础性作用.”

exclusivity over imports and exports (Suo 2007b). The Minister Bo Xilai (薄熙来 in Chinese) (July 2004 – December 2007), a member of the second generation of CCP cadres, was often depicted as a Maoist orthodox. Even so, his stance in favour of COFCO and Chinatex followed the Ministry's commitment to liberalise trade in the aftermath of China's access to the WTO – which most scholars view as a trampoline for Bo to escalate in the party ranks.¹⁴¹ The China Business Journal well describes Bo's position:

As the China Soybean Industry Association opposed the erosion of the Chinese market by imported soybeans, COFCO, and the China Chamber of Commerce for Food, Native Produce and Livestock Import and Export of the Ministry of Commerce, which is in charge of soybean imports, naturally stood on the opposite side of the association. (Suo 2007b)¹⁴²

However, a twist on China's rural policy since Hu Jintao took office in November 2002 benefited the state-led bourgeoisie. Hu's administration promoted rural welfare as a way to address the social discontent and political corrosion of previous urban bias policies.¹⁴³ Since 2003, rural reforms were added consecutively to China's No. 1 Document – which highlights the government's annual priorities – and the Ministry of Agriculture became more active within the national institutional spectrum. Minister Sun Zhengcai (孙政才 in Chinese) (December 2006-December 2009) adopted a strong stance against the deregulation of rural economy by foreign capital. At a press conference in Beijing, he stated that

the introduction of foreign investment in agriculture must adhere to the basic requirements of providing services and ensuring the effective supply of major agricultural products. It must maintain the safety of the domestic agricultural industry and the interests of farmers. (*Farm Produce Market Weekly* 2009, 29)¹⁴⁴

Following its proactive role and nationalistic approach, the Ministry of Agriculture gave full support to the China Soybean Industry Association (Teng 2010, 21; Suo 2007a). CSIA's

¹⁴¹ In 2007, Bo Xilai was nominated to the selected group of members of the CCP Politburo and the Mayor of Chongqing Municipality, China's Western political power hub.

¹⁴² Translated by the author from the original “由于中国大豆产业协会反对进口大豆侵蚀中国市场，中粮集团、主管大豆进口的商务部中国食品土畜进出口商会等自然站到了协会的对立面”。

¹⁴³ In January 2006, the government abolished most agricultural taxes, ending a historical burden to the rural economy (Day and Schneider 2018). In the same year, the CCP raised the slogan of the new socialist countryside, which in essence enhanced social protection to small farmers (M. Zhao and Liang 2009, 7–8).

¹⁴⁴ Translated by the author from the original “农业引进外资必须坚持服务和服从于确保主要农产品有效供给，维护国内农业产业安全和农民利益的基本要求。”

inaugural meeting was co-hosted by Chen Mengshan (陈萌山 in Chinese), the General Director of the Planting Management Department of the Ministry of Agriculture, and its first chairman was Wan Baorui (万宝瑞 in Chinese), a former Executive Vice Minister of the Ministry of Agriculture and the current Vice Chairman of the Agriculture and Rural Committee of China's National Peoples' Congress (Suo 2007b). The Ministry's stance in favour of CSIA generated an institutional crisis that challenged the TNC-transnationalised state capitalist power bloc. As the Chinese scholar, Teng Tao (滕涛 in Chinese) summed up,

the China Soybean Industry Association is the result of a game between various interest groups. Behind it is the dispute between non-GM soybeans and GM soybeans, between North-east soybean crushers and coastal soybean crushers, and between the Ministry of Agriculture and the Ministry of Commerce (Teng 2010, 21).¹⁴⁵

With China's rural-bias twist and the institutional crisis over the soybean downstream complex, the state-led bourgeoisie and remnants of the national private bourgeoisie found room to build a circumstantial alliance with elements of the labouring class to make further pressure against the dominant power bloc. In May 2007, Jiusan participated in the creation of the Heilongjiang Soybean Association, another semi-official association that gathered not only local processing enterprises but also soybean farmers, some of which represented the interest of small households and food consumers (X. Wang and Huang 2009). This association mobilised all these social strata to counter GM soybeans, including pressuring local companies not to use transgenic crops for edible oil production (W. Li 2013).¹⁴⁶ As the Association's Director of Industrial Development Department Wang Xiaoyu (王小语 in Chinese) said in 2009,

the development of the soybean industry cannot be solved by the Soybean Association alone. It requires the joint attention and efforts of the whole society to form a chess game across the country to deal with the current crisis. (Wang and Huang 2009, 44)¹⁴⁷

¹⁴⁵ Translated by the author from the original “中国大豆产业协会是各方利益团体的博弈的结果, 其背后是非转基因大豆和转基因大豆之争, 是东北大豆压榨企业和沿海大豆压榨企业之争, 是农业部和商务部之争”。

¹⁴⁶ For instance, in 2008, after a processing enterprise from Harbin purchased GM soybean, the Association convened a public forum to block the purchase and spread their concern (W. Li 2013).

¹⁴⁷ Translated by the author from the original “大豆产业发展问题并不是大豆协会 就可以解决的, 需要全社会共同关注和努力, 要全国上下形成一盘棋, 来应对当前的危机。”

As a response to the social mobilisation from Heilongjiang Soybean Association, in 2007, the Ministry of Agriculture approved a series of measures to protect the soybean farmers' income and boost domestic production. It expanded the scale of traditional agricultural subsidies and established a target price-based subsidy, through which the government purchased soybean from farmers at a designated price and compensated the difference between market and target prices (Clever 2017). The Ministry also took significant steps to stabilise soybean prices by giving further support to national soybean storage and providing loans and discounts for Chinese processing plants to expand their reserve capacity (Y. Zhao and Hu 2015, 7). Besides, it also announced the creation of a public information agency to help farmers avoid price volatility risks (MARA 2007). All these policies were ratified in 2008 by the government's Medium- and Long-Term Framework Plan for National Food Security (2008–2020), which claimed priority to the production of essential oilseeds like soybean to reassure China's food self-sufficiency (NDRC 2008).

One could argue that by building broad alliances, the state-led bourgeoisie contributed to bringing China's food security discourse back to the Maoist style-condemnation of capitalist forms of production in agriculture. However, as it took the lead in those alliances, the state-led bourgeoisie imposed its own class interests over elements of the labouring class. Despite making concessions to small farmers, the state-led bourgeoisie instrumentalised the social discontent on its favour. Even though direct subsidies and other beneficial measures alleviated the historical burden on rural China, small households were still progressively played down by large agribusiness. As it is broadly described within the critical literature, the rising prices of agricultural inputs, the processes of commodification of land, and labour displacement, among other factors, propelled the development of capitalist relations and forms of production to the detriment of rural labour (Day and Schneider 2018; Yan and Chen 2015). Furthermore, as a way to overcome the soybean crisis, the NDRC approved in 2008 new directives encouraging big soybean processors like the state-led Jiusan to merge and acquire smaller ones and to integrate into different segments of the soybean complex. As the document states, "leading enterprises should be supported so that they can have stronger competitive force and gain more market share" (Petry and Josh 2008, 6).

By instrumentalising social discontent through broad alliances, the state-led bourgeoisie undermined the political hegemony of the TNC-transnationalised state capitalist power bloc. For instance, besides favouring large agribusiness, the NDRC directives drew a clear line against "low domestically owned [processing] capacity" and "excess reliance on imported raw materials" (Petry and Josh 2008, 4). The document reinforced some of the policies proposed

previously by the Ministry of Agriculture and recommended strengthening state guidance on China's soybean complex (Q. Guo 2008a, 4). Lastly, it promoted the adoption of subsidies for North-eastern soybean processors to purchase domestically produced soybean, so that Jiusan, the biggest processor with five plants in the region, would no longer bear alone the burden of China's soybean crisis (National Grain Administration 2010, 1).¹⁴⁸ The new subsidy policy came alongside the State Council's approval of a comprehensive program for Revitalizing North-east China in August 2009. To this end, a leading group chaired by Premier Wen Jiabao formulated policies to strengthen North-east grain production through investments in transportation and storage capacity (M. Zhao and Liang 2009, 9).

Therefore, China's nationalistic appeal over food security suited the state-led bourgeoisie's interests and disciplined COFCO and Chinatex by blocking their finance-driven expansion and association with foreign agribusiness. For instance, China's National Tax Administration Bureau called for the registration of COFCO's offshore firms as resident companies of mainland China. From then on, the financial decisions of those firms – such as borrowing, lending, financing, and financial risk management – and their corporate management – such as appointment, dismissal, and remuneration of directors – would be subjected to the approval of COFCO's headquarters in Beijing (China National Tax Administration Bureau 2013). In turn, in the late 2000s, Chinatex aborted its plans to merge with Olam, which hindered its process of internationalization and integration into global finance. The state promotion of domestic ownership would also limit COFCO's and Chinatex's association with agribusiness TNCs in the soybean processing sector. From 2009 onwards, all COFCO's new crushing plants were financed entirely by COFCO Oils and Fats Holdings,¹⁴⁹ and Chinatex ceased negotiations with agribusiness transnationals for joint investments in soybean processing.¹⁵⁰

Following the decline of China's transnationalised state bourgeoisie, COFCO's and Chinatex's investment strategy in Brazil would also become obsolete. With restricted means to develop financial mechanisms for price speculation alongside the transnational bourgeoisie, Chinatex obtained continuingly fewer revenue from soybean trade (Table 7). Moreover, both companies would shift their sourcing strategy in Brazil towards new attempts to establish

¹⁴⁸ The state subsidies came into effect in the years 2009 and 2010.

¹⁴⁹ COFCO Oils and Fats Holdings established new crushing plants in Huanggang, Jingzhou, and Chaohu.

¹⁵⁰ Chinatex's most relevant negotiation was with Louis Dreyfus over a joint investment in a crushing plant at the port of Rizhao (X. Jiang 2005, 77).

independent supply channels for importing soybean. Finally, a new phase of China’s going out trajectory would begin, with new players related to other capitalist class fractions joining the game.

Table 7: Chinatex’s financial indicators

	2008	2009	2010	2011	2012	2013
Soybean import revenue (billion RMB)	127.93	48.99	15.38	18.42	25.79	22.79
Percentage of soybean imports to total revenue	47.57%	25.54%	4.98%	1.98%	2.37%	1.18%

Source: J. Wang and Dong (2011); Zhong and Wang (2014); data compiled by the author.

5.5. Turning the Page of the TNC-transnationalised state Power bloc

The political and economic disputes between the transnationalised state bourgeoisie and state-led bourgeoisie show that China’s food security governance is evolving constantly. Instead of invariable policies and discourses corresponding equally to all actors involved, food security is susceptible to dynamic pressures emanating from capitalist class interests.

During the battle of the beans, the “official” discourse over food security reinforced China’s uncritical nationalist appeal, condemning foreign ownership without questioning China’s many forms of capital accumulation. By doing so, it neglected COFCO’s and Chinatex’s finance-driven expansion associated with foreign agribusiness TNCs. To understand the peculiar expansion trajectory of these two transnationalised state capitalist players, I considered Oliveira’s (Oliveira 2017; 2018) analyses on Chinese agricultural investments in Brazil. Following his argument, I assume that agency factors involving the relations with the ABCD in Brazil in the context of the battle of the beans propelled a shift in COFCO’s and Chinatex’s investments. They moved away from independent sourcing and allied with foreign counterparts to import soybeans with their help from Brazil.

Moreover, addressing the gaps in the related literature, I argue that the Chinese changing outbound investment strategies are closely connected to diverging state-capital relations at home. Following the premises of uneven and combined development, I emphasise the heterogenic (and conflicting) capitalist class formation as the domestic economy integrates through different levels into global capitalism while preserving national specificities. As such, agency factors related to diverging capitalist class fractions and state segments in their

interaction with the world economy provoked mutable and destabilizing effects on China's rural economy. Accordingly, COFCO's and Chinatex's association with the transnational bourgeoisie allowed them to take further advantage of price speculation mechanisms and subordinate soybean processing activities to the rule of finance. As they consolidated their finance-driven accumulation strategy, they contributed to the breakdown of China's soybean farming and processing alongside foreign partners, contradicting China's nationalist discourse around food security.

However, in line with Jessop's social-centred approach to state analyses, I argue that China's heterogeneous capitalist expansion reflects historically determined social relations and class disputes within the state. As such, COFCO's and Chinatex's economic prominence depended on the political struggle against diverging capitalist interests, having no automatic effect on the state power. The broad social articulation of state segments related to state-led capitalists rather hindered the expansion of the transnationalised state bourgeoisie. Amidst a rurally biased political environment, rival state-led capitalists (represented by Jiusan and Sinograin) advocated for stable soybean supply and price by endorsing China's food security discourse based on an alleged Sino-foreign dichotomy. Food security's uncritical nationalist appeal corresponded to their interests as it served as a unifying ideological platform against COFCO's and Chinatex's political influence.

Chapter 6: The Errors of the State-led Bourgeoisie during its Political Momentum (2008-2013)

6.1. Introduction

Since the 2008 world financial crisis, an increasing number of Chinese firms sought investment opportunities overseas. The country's international expansion modified its role in the world economy from a receptor of foreign investments to a proactive global investor. As foreign demand for Chinese exports plummeted and the Chinese shares of the American debt bonds devaluated due to the dollar depreciation, the government redirected part of its foreign exchange reserves to finance direct investments abroad – aiming to expand the Chinese market access and generate higher returns. Against this background, in 2011, after a series of official statements, the Ministry of Agriculture joined efforts with other state institutions to formulate strategies and provide financial support – such as bank credits, tax incentives and insurance – for Chinese enterprises to go abroad (Jiang 2011). Although agricultural going out was still modest compared to other economic sectors, the rise of world food prices propelled an increasing number of Chinese enterprises to look for resource supply in leading exporting countries, particularly soybean from Brazil and Argentina (Gooch and Gale 2018).

The capitalists class fraction from China's soybean downstream complex which companies launched most outbound investments was the state-led capitalists. Jiusan's parent company Beidahuang from Heilongjiang province and, to a lesser extent, the central state-owned Sinograin, took advantage of favourable political momentum after the 'battle of the beans' to galvanise state support for investing overseas. They also coordinated 'going out' efforts with national private and transnationalised state companies, such as Hopefull and Chinatex, respectively. In line with the existing literature on Chinese agricultural investment in Latin America, we indicate that their 'going out' strategies accompanied comprehensive policies for promoting the domestic ownership in China's soybean processing sector and bypassing the foreign transnational oligopoly over the global supply chain.

However, while the state-led bourgeoisie and other Chinese-based capitalist class fractions expanded their processing capacity and gained prominence domestically, they performed considerably worse than initially expected overseas. When explaining their international downfall, Oliveira (2017) draws attention to the traditional (or political-oriented)

outbound investment practices of what he calls ‘paper tigers’. According to him, paper tigers are enterprises that fine-tune with China’s impelling ‘going out’ policies for the sake of obtaining financial and political support from the state. Therefore, they take a propagandistic approach, with exaggerated and upfront projections abroad. Their extravagant investment practices ultimately hinder their investment opportunities as they propel political hostility, including new restrictions on foreign-driven farmland acquisitions in host countries. Still, as Oliveira (just like most of the related literature) focuses only on the investment side of China’s role in the global soybean commodity chain, he cannot explain the contrast between such a domestic success and foreign downfall.

To address this limitation, I look at sourcing strategies in Brazil from the lens of China’s inter-capitalist relations and their political nexuses, as in other chapters. I argue that in the post-battle of the beans’ context, the fall of the transnational bourgeoisie’s and transnationalised state bourgeoisie’s trade centrality allowed an increasing number of private players – particularly from the coastal Shandong province – to venture into soybean import operations. These players collaborated with foreign agribusiness TNCs and obtained easy credit from foreign banks aiming to stimulate trade after the rise of world food prices in the late 2000s. Hence, they acted as commercial intermediaries, which class structure represents a new expression of the associated bourgeoisie. The renewed rise of this class fraction contributed to overheating the domestic soybean market and cheapening its prices. With an affordable supply at home, Chinese enterprises lost the impulse to go abroad. At the same time, the increasing foreign competition disrupted domestic soybean farming, causing financial constraints to China’s agricultural giant, the state-led Beidahuang. The economic discouragement from investing abroad and lack of financial capacity are part of the Chinese overseas downfall story so far left unexplored by the related literature.

Section 6.2 revises the scholarship’s interpretation of Chinese investments in South American soybeans and its limitations, as described above. Section 6.3 analyses the resurgence of the associated bourgeoisie from the policies implemented to bypass the transnational TNC’s trade oligopoly. It also indicates that with diminishing import capacity in China, the TNCs found in this group of capitalists a conduit for accomplishing their economic and political interests in China. Section 6.4 elaborates on this topic, showing how the transnational bourgeoisie secured high profits with the rising global soybean prices amidst China’s growing demand.

Moreover, section 6.4 shows that China’s import boom also favoured domestic processors under the progressive control of state-led and national private capitalists despite

global rising prices. This is because the new associated bourgeoisie used soybean imports as a capital leverage source to transfer the funds obtained from trade to more lucrative economic sectors. They used letters of credit (LC) from foreign – which allowed delayed repayment with cheap interest rates – to raise funds and reinvest in other thriving industrial sectors.¹⁵¹ To obtain LC, they progressively expanded their imports, selling soybean prices in the domestic market at low prices. Therefore, domestic soybean processors benefited without having to directly source from abroad.

In turn, Section 6.5 examines in detail how the overflow of imported soybeans impacted North-east China's production and hindered the state-led Beidahuang's financial capacity to invest abroad – despite benefiting its processing subsidiary Jiusan. Lastly, section 6.6 summarises the chapter's argument and draws attention to the subsequent associated bourgeoisie's decline and the second rise of COFCO's transnationalised state bourgeoisie, this time as a forthcoming prominent independent capitalist player.

6.2. Chinese Contrasting Outcomes Domestically and Abroad

Scholarship on Chinese agricultural investment overseas often highlights resource seeking strategies related to two primary purposes: the modernisation of Chinese agribusiness through complementary commodity imports and the need to guarantee food supply for domestic consumption. Regarding the first aspect, McKay et al. (2017) argue that by controlling soybean supply and price, Chinese enterprises in South America are able to add value to raw agricultural products through manufacturing, such as soybean crushing and vegetable oil refining. Similarly, Sharma (2014) relates China's agricultural 'going out' with the government's efforts to scale-up food production through a "powerful and increasingly globalised domestic constituency of companies vested in the supply chain" (Sharma 2014, 16). Regarding the second aspect, Myers e Guo (2015) point out that even pursuing food self-sufficiency, the Chinese government has taken the international provision of feed crops as a supplement for the country's food security policy (see also H. Zhang 2018, 47–48). Following the same narrative, (Wilkinson, Wesz Jr., and Lopane 2016) argue that to meet the increasing domestic demand, Chinese enterprises adopt a "more-than-market" strategy, aiming at

¹⁵¹ Letter of Credit is a common payment instrument used in the international trade of bulk commodities. It is applied when an importer reaches a trade agreement, enabling it to pay 20 per cent to 30 per cent deposit to the issuing bank in exchange for a long-term loan with approximately 90 to 180 days of delayed payment.

increasing their control over global resources at costs that are above what would be economically rational – such as purchasing soybean from Brazilian farmers with orders placed above market prices. Lastly, Schneider’s (2014) concept of “meat grab” combine both aspects. She argues that, in the context of meatification of domestic food consumption, China’s international expansion ensures food security by nurturing large agribusiness with livestock feed provision (Schneider 2014, 629).

The literature above coincides with our characterisation of China’s inter-capitalist reordering that followed the battle of the beans. As described in Chapter 5, the state-led bourgeoisie took advantage of the official food security discourse to promote soybean sourcing strategies overseas, which sought to bypass the foreign TNCs’ trade oligopoly. At the same time, it gained preferential political support to reinforce domestic ownership by expanding large agribusiness in the soybean downstream complex within China. However, whereas the Chinese enterprises failed to invest overseas, they expanded their processing capacity and overcame the foreign ownership in the soybean downstream complex. The discrepancy between their performance in China and abroad challenges the state-led inter-capitalist reordering, as it preserves the foreign TNC’s control over global soybean supply. At the same time, it unveils the limits of the literature cited above, which provides no clue for understanding this phenomenon.

Regarding the Chinese investments in the domestic processing sector, both the central and Heilongjiang provincial governments gave Jiusan's parent company, the state-led Beidahuang, political and financial support to expand its processing capacity. In 2010, the State Council’s No. 59 White Paper announced that “Beidahuang Group will be transformed into an internationally competitive agricultural conglomerate” (He 2013, 50).¹⁵² Consequently, the company received an annual average of one Billion US dollars from 2009 to 2013 of direct state subsidies (Table 8), allowing it to expand rapidly its processing capacity.¹⁵³ Following Beidahuang’s growth, in 2011 the centrally controlled state-led Sinograin launched massive investments, aiming to reach from 10 per cent to 12 per cent of the domestic consumer market of soybean oil and soybean meal (R. Wang 2012, 65). After abandoning plans to partner with foreign TNCs in the sector (Chapter 5), Sinograin articulated, instead, joint initiatives within

¹⁵² Translated by the author from the original “将北大荒集团打造成具有国际竞争力的特大型现代农业企业集团.”

¹⁵³ Jiusan built two new large-scale crushing facilities in North-east China, the Jiusan Group Tieling Soybean Technology Co. and Jiusan Group Changchun Soybean. Besides, it expanded the production capacity of its facility from the Southern Guangxi Province.

the state sector, reaching coordinated agreements with other central and local SOEs. In May 2011, the Sinograin and the transnationalised state Chinatex established a partnership to build a soybean processing plant in Rizhao, Shandong Province (which was previously negotiated with Bunge). In October of the same year, the state-led enterprise joined the local SOE Beijing Food Group in a 1.5-billion-yuan investment project to build another processing plant in Tianjin city. Lastly, it opened negotiations with Yuliang Group, an agricultural SOE from Henan Province, to invest in a crushing plant in the region (R. Wang 2012, 63–64).

Table 8: State Subsidies to Beidahuang

Unit: US% million	2009	2010	2011	2012	2013
Subsidies	905	885	968	1069	1201

Source: Dong and Liu (2015); Hu and Gao (2012). Data compiled by the author.¹⁵⁴

To secure soybean supply for the domestic market, Sinograin invested in trade logistics and encouraged local SOEs with farming and land reclamation experience to seek global sourcing opportunities (Lin 2017, 126; H. Liu 2018). Its strategy was in line with research and financing policies led by the Ministries of Agriculture and Finance in the early 2010s, which exempted the company from soybean import taxes and promoted the global influence of provincial-level enterprises (Jiang 2011; Ministry of Finance 2012). In turn, Beidahuang – which is itself a local SOE – opted to launch direct investments on its own (Table 9). It acquired farmland mainly in the Russian Far East, on the border with its mother province Heilongjiang (Chou et al. 2013). As for soybean sourcing, Beidahuang turned to large joint investments in Brazil and Argentina. In Brazil, it joined Fudi Agriculture Co., a private firm from Zhejiang province that, between 2007 and 2008, acquired 600 hectares of land in the Southern Rio Grande do Sul State and 16,000 hectares in the Northern Tocantins State. Since 2009, Beidahuang provided large-scale agricultural machinery and sent technical and management personnel to Fudi’s project (Guo 2017, 6:84). In Argentina, Beidahuang partnered with the local Agribusiness firm Cresud SA to lease up to 320,000 ha of farmland in Rio Negro Province (Grain 2011; Romig 2011). The project included an initial investment of US\$ 20 million for irrigation and plantation in 3,000 ha., and its gradual expansion, accounting for US\$1.45 billion in the following twenty years (Grain 2011).

¹⁵⁴ Calculated by the author on bases of 2022’s currency exchange (1.00 RMB = 0.15 US Dollars).

Table 9: Beidahuang’s economic indicatives overseas

	2008	2009	2010	2011
Land area overseas (hectare)	45,200	73,300	80,000	100,000
Personal overseas		7,472	8,746	11,080
Overseas registered companies		15	15	19
Cumulative overseas investment (million US Dollars)¹⁵⁵		30.57	38.22	80.1

Source: Heilongjiang Land Reclamation Statistics Information Network 2005-2011; cited in (He 2013).

Some of the Chinese investments in Brazil were even accomplished in a coordinated way, articulated mainly by the state-led bourgeoisie. In 2010, Beidahuang prospected a consortium with the transnationalised state Chinatex – who planned to invest US\$ 23 million in Brazil (J. Hu 2011a) – and the local state-owned Chongqing Grains Group. The three companies aimed to bid together for a new grain terminal in the port of Itaqui, in the Brazilian North-eastern Maranhão State (Oliveira 2017, 236–37). Moreover, the national private Hopefull joined forces with China National Agricultural Development Group (CNADG), a centrally controlled SOE, to enter Brazil. In 2011, the two companies announced a US\$7,5-billion-investment project for soybean farmer finance, transportation and storage infrastructure in the Midwestern Goiás State (Oliveira 2017, 199). This project complemented Hopefull’s earlier investment in shipment, which sought to secure raw material for its large-scale processing operations in China.¹⁵⁶

However, as Oliveira (2017) points out, most announcements made by Chinese companies overseas never came through. They faced legal impediments, which hindered the continuation of the projects due to the lack of local expertise. For instance, after a loss-making harvest in 2009/2010, Beidahuang’s partner Zhejiang Fudi faced additional difficulties imposed by the Brazilian labour and migration legislation and opted to transfer its farmland to the local state-owned Chongqing Grains Group (CGG) – and Beidahuang itself left only one technician out of eight in Brazil (Oliveira 2017, 238). CGG was a newly established state-

¹⁵⁵ Calculated by the author on bases of 2020’s currency exchange (1.00 RMB = 0.15 US Dollars).

¹⁵⁶ In 2009, Hopefull purchased 11 Panamax vessels and set up a shipping company specialising in the soybean imports (Hopefull Grain and Oil n.d.).

owned conglomerate created under Chongqing's Mayor Bo Xilai's administration. Despite Bo's liberal trajectory as the formal Ministry of Commerce (Chapter 5), he aligned the new company to the state-led bourgeoisie's strategy.¹⁵⁷

Chinese investors also faced increasing political hostility from local media to social movements mobilised against 'land grabbing'. In 2011, besides its transfer agreement with Zhejiang Fudi, CGG announced the acquisition of 200,000 hectares in the Brazilian North-eastern Bahia State for soybean production (Guo 2017). Nonetheless, it ended up having the same faith as the other Chinese companies, that Oliveira calls paper tigers. Instead of the initially ambitious plans, CGG purchased only 52,000 hectares in Bahia. The company also leased out its land properties from the Northern Tocantins State and left its smaller farm in Southern Brazil idle – only to be occupied in 2015 by the Brazilian Landless Workers' Movement (MST) in a demonstration against foreign-driven land acquisitions (Oliveira 2017). As for the national private Hopefull, its investments in Goiás State with the Chinese state-owned CNADG failed amidst massive negative media coverage in the Brazilian and Anglophone media. In addition to public discredit, they could not meet Goiás government's expectations for investments in processing infrastructure in the region (Oliveira 2017, 207). In the end, Hopefull, who also sought to participate in the bidding of the new grain terminal in the port of Itaquí, pursued only a 20 per cent share in the construction of a relatively small new grain terminal in the Southern Santa Catarina state (Escher, Wilkinson, and Pereira 2018, 306; Oliveira 2017, 209).

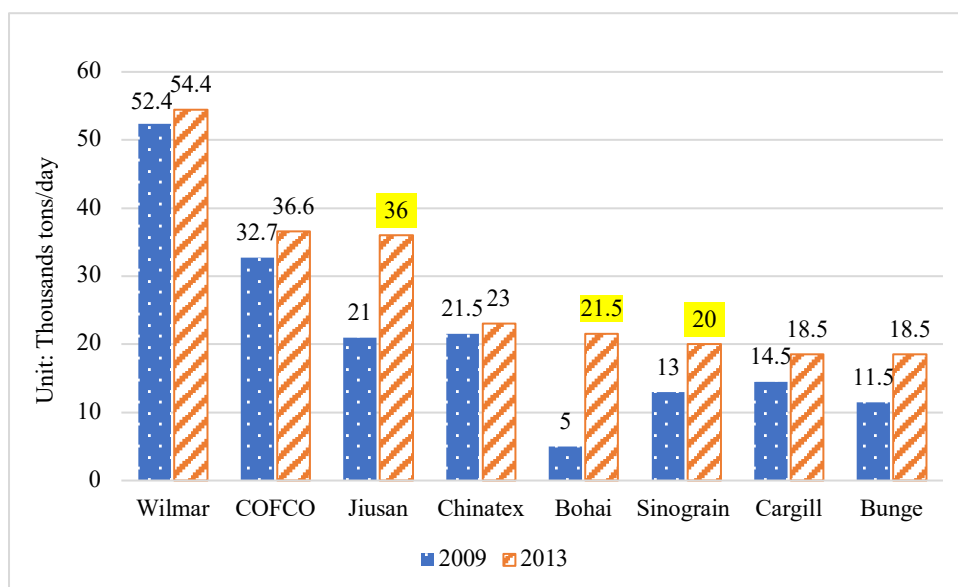
Such a political hostility contributed to the approval of restrictive laws on the acquisition of farmland by foreign enterprises in Brazil and Argentina, bringing an ultimate obstacle to the Chinese investments driven by state-led capitalists in the region (Oliveira 2017). Therefore, the state-led Beidahuang's greenfield investment project in Argentina was cancelled when the country changed its farmland acquisition regulations in 2011 (Perrone 2013; Romig 2011). Moreover, Beidahuang withdrew from the bidding of the Itaquí grain terminal due to disagreements among its headquarters in China (Oliveira 2017, 236–237). With the Beidahuang's retreat, Chinatex and CGG did not carry forward the consortium for that bidding.

¹⁵⁷ In the aftermath of the battle of the beans, Bo integrated the region's 50 agricultural SOEs into a single conglomerate and made clear his intentions to counteract the foreign TNC's influence in the Chinese soybean complex (Oliveira 2017, 246). Noticeably, Bo's new stance entailed an aggressive approach towards his former ally COFCO. For instance, a real estate company under the COFCO Group called COFCO Pengli was the first to be spotted in an anti-corruption campaign launched by Bo Xilai's administration in Chongqing (A 2009; Deng 2011).

Oliveira (2017) argues that these companies' mediocre results are mostly related to a political-oriented form of international projection. According to him, 'paper tiger' enterprises tend to adopt a propagandistic approach that enables their executives to escalate in the party ranks by meeting the government's going out plans. Therefore, instead of following sourcing strategies widely adopted by foreign agribusiness transnationals, they focus on traditional practices, such as the overreliance on local officials' assistance in host countries, insufficient employment of management teams with local experience and, above all, an exaggerated promotion of farmland acquisitions. In Oliveira's opinion, the attraction of negative media coverage and disproportionate political reaction abroad comes as a result of this investment approach, making Chinese enterprises easy targets of land grabbing accusations and vulnerable to local hostility (Oliveira 2017: 287-337).

Oliveira's characterisation of the so-called paper tigers overcomes simple generalisations based on geographical origins and ownership structure. It highlights the centrality of agency on Chinese investments overseas, situating them on contextualised power relations and discourses in China and abroad. Still, as stated in the previous chapter, his analysis falls short of linking individual practices with China's broad political economy and historical changes in China's soybean downstream complex. More importantly, his assumption does not explain how some 'paper tigers' amplified their influence in the Chinese processing sector despite the Chinese overseas downfall. For instance, while foreign TNCs controlled more than 70 per cent of soybean crushing capacity in the mid-2000s, they scaled back to less than 40 per cent in 2013 (Sharma 2014, 9). At the same time, even with poor soybean sourcing capacity overseas, state-led and national private enterprises expanded significantly in the sector, particularly Jiusan, which became China's third-largest processor (Figure 32).

Figure 32: China's top 8 soybean processors (2009-2013)



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.

Following Oliveira's assumption, one could argue that the propagandistic approach of most Chinese enterprises (paper tigers) in South America – and the subsequent escalation of their executives within the party ranks – allowed them to receive favourable state support in the domestic soybean complex.¹⁵⁸ Nevertheless, regardless of any political determinants, most Chinese big processors expanded their soybean supply and sales and obtained high returns even without successfully establishing independent supply channels. To understand the reasons behind the contrast between China's overseas downfall and domestic success, we must look beyond its misadventures overseas. Therefore, the following sections analyse how inter-capitalist relations and their political nexuses influenced the accumulation strategy of state-led capitalists, creating such contradictory results.

6.3. The Re-emergence of the Associated Bourgeoisie

To understand the contrast between the state-led successful domestic operations and its gloomy outbound investments, we must look at it from the lens of the post-Battle of the Beans' political context. Accordingly, to bypass the foreign TNCs' trade oligopoly, the Chinese

¹⁵⁸ Notably, the decline of the TNC-transnationalised state power bloc (Chapter 6) could also explain government incentives for domestic processors despite eventual setbacks overseas.

government implemented at least three complementary measures apart from promoting direct investments overseas. First, it expanded state grain reserves as a mechanism to control price variations; Second, it gave regulatory and political preference to soybean exports from Brazil and Argentina and promoted trade relations with foreign players rather than North Atlantic-based TNCs; Third, it further deregulated trade and encouraged Chinese POEs to displace the foreign prominence in domestic sales of imported soybeans. Whereas the two former measures had an auxiliary effect on the state-led efforts to establish independent sourcing overseas, the latter contributed to a shift in China’s inter-capitalist relations: the Chinese POEs – initially encouraged to displace the foreign trade oligopoly – contributed to the re-emergence of the associated bourgeoisie. As described in the following sections, the outstanding role of this new group of capitalists in soybean import operations would serve as an alternative to the state-led overseas sourcing efforts.

Regarding the first measure, at the end of the 2000s, the central government launched the Grain Reserves Program to expand China’s storage capacity, aiming to meet up to 40 per cent of China’s soybean demand (Brown-Lima, Cooney, and Cleary 2010, 31). The program strengthened Sinograin’s – who controlled China’s state grain reserves – regulatory pricing power. The state-led company imported soybeans whenever the CBOT quotation rates were favourable and auctioned them in the domestic market under the state policies (A. Lu 2013).¹⁵⁹ Between 2010 and 2015, Sinograin stockpiled a record number of approximately 13 per cent of all China’s soybean (Table 10), allowing Chinese processors to reduce world price fluctuation risks.

Table 10: China’s average soybean stockpile

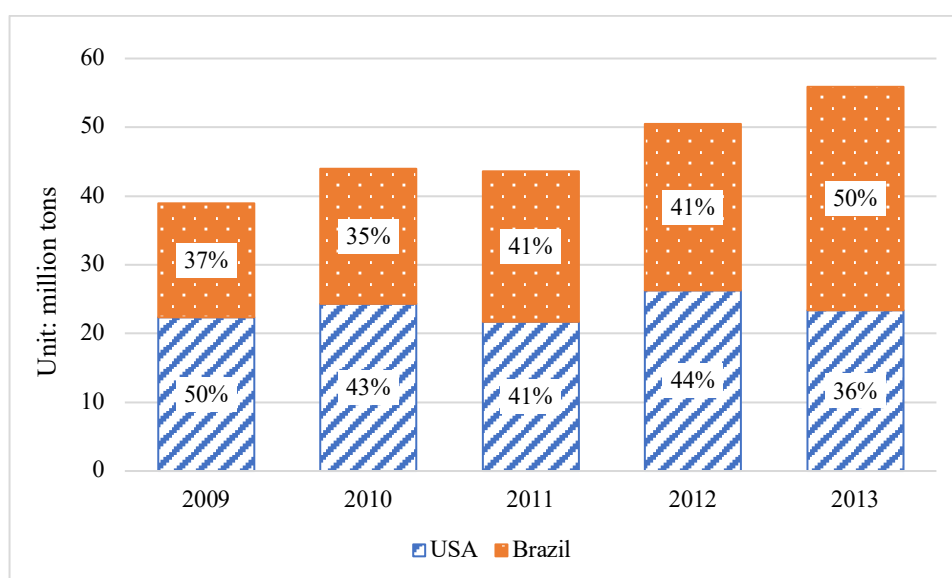
Unit: thousand tons, %	2000-2005	2005-2010	2010-2015
Total storage volume	2,634	5,699	11,587
Storage percentage over the overall supply	7%	10%	13%

Source: BRIC Agri-Info Consulting (n.d.). Data compiled by the author.

¹⁵⁹ For instance, after the European debt crisis broke out in September 2011, the CBOT soybean futures price plummeted, to a low of 1,100 cents per bushel in November 2011. Therefore, Sinograin almost tripled its soybean imports, from 1,249,300 tons between January to November 2011, to 3,396,600 tons in the same period in 2012 (A. Lu 2013).

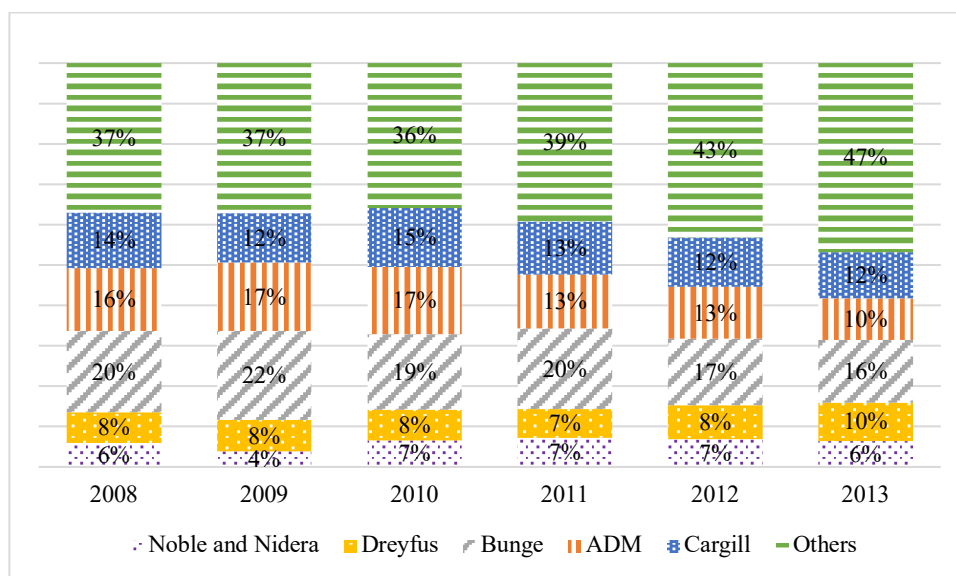
Regarding the second measure, China approved new varieties of G.M. soybean grown in Brazil in June 2012 and signed bilateral cooperation agreements related to agriculture with 16 countries in the region by 2015 (J. Chen 2015; Sharma 2014, 10). As a result, China became less dependent on North American exports (Figure 33). Moreover, Chinese state-led enterprises reached agreements for soybean imports and other cooperation projects with various new players. For instance, in 2009, Sinograin established a partnership with the thriving Japanese-based Marubeni, through which it imported soybean from Brazil exchanged personnel and operated together silos overseas (Yoshikawa 2009). The diversification of Chinese trading partners contributed to reducing the ABCD's share of soybean exports from South America from 58 per cent in 2008 to 48 per cent in 2013 (Figure 34).

Figure 33: US and Brazil shares of China's soybean imports



Source: Comtrade; data compiled by the author.

Figure 34: Soybean export share of agribusiness TNCs in the Southern Cone (Brazil, Argentina, Uruguay, and Paraguay)

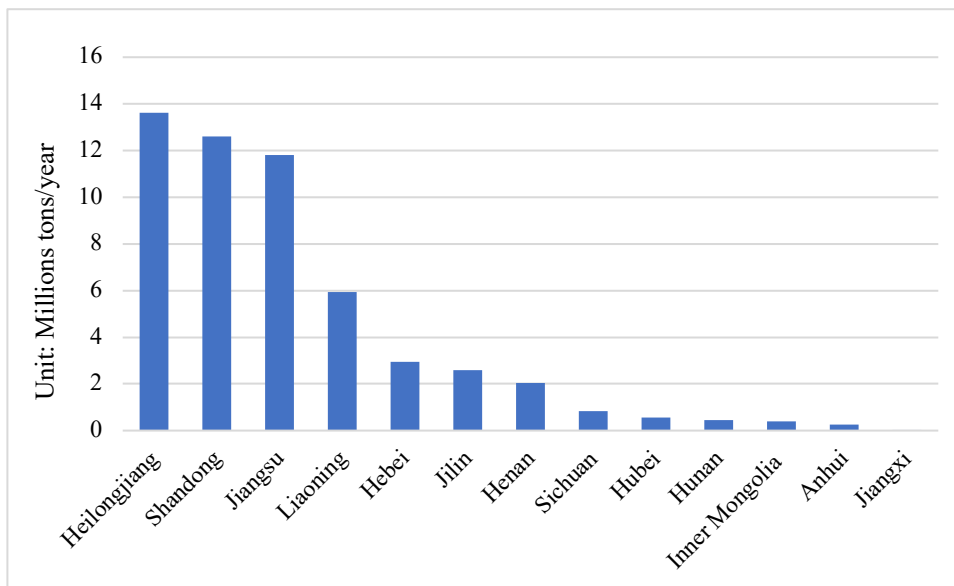


Source: Wesz Jr., Escher, and Fares (2021)

Finally, regarding the third measure, with the decline of the TNC-transnationalised state power bloc – through which COFCO and Chinatex enjoyed almost exclusive rights over imports (Chapter 5) – the Ministry of Commerce allowed more and more Chinese POEs to purchase soybean from foreign suppliers and obtain financing overseas for this purpose.¹⁶⁰ The enterprises that benefited the most from China’s trade deregulation were soybean processors from the coastal Shandong Province. Besides being among the most critical regions for the processing sector (Figure 35), Shandong was traditionally a leading livestock breeder alongside its neighbouring Hebei Province and Henan Province (Figure 36). POEs from the region took advantage of Shandong’s enormous demand for feed crops and its port logistics to venture into the soybean import business.

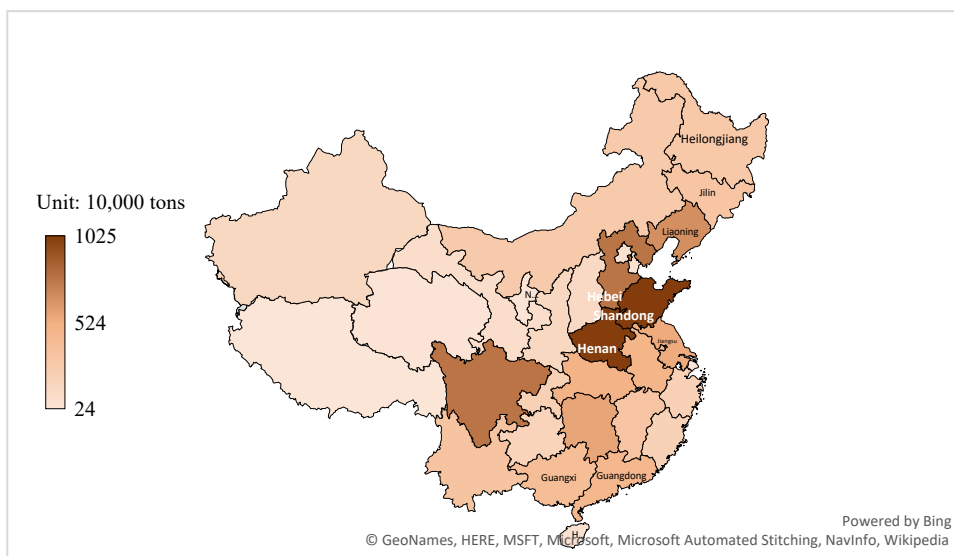
¹⁶⁰ Pei, Chuanfa. 2019. (Research Director of BRIC Agri-Info Consulting), in discussion with the author via phone call, 2 January 2019.

Figure 35: Soybean processing capacity by region in 2012



Source: China Grain Yearbook (2013). Data compiled by the author.

Figure 36: China's combined swine and poultry output (yearly average between 2008 and 2012)



Data compiled by author on bases of BRIC Agri-Info Consulting (n.d.).

However, Shandong's POEs developed a distinctive form of capitalist accumulation based on foreign trade financing, which would eventually change the inter-capitalist relations and distort the state-led bourgeoisie's agenda in the soybean downstream complex. Accordingly, the most prominent POE was Shandong Sunrise Group Corporation (henceforth Sunrise). Shao Zhongyi (邵仲毅 in Chinese), the company's founder and main shareholder was a national private capitalist. Just like many others, he used state prerogatives and business networks as a former manager of a township oilseed processing enterprise to acquire privatised

assets and expand its business during the 1990s (SPD Bank 2014, 24; Baidu Encyclopedia n.d.).¹⁶¹ Amidst the rise of world food prices in the late 2000s, western banks issued letters of credit effortlessly to stimulate trade, which served as a financial shortcut for Shao’s Sunrise to boost its soybean imports. At that time, interest rates were around 2 per cent, and the Chinese yuan’s appreciation made trade financing even more advantageous for Sunrise (D. Zhang 2018, 49). As Han Shaojie, a Jiusan’s executive in charge of trade operations, described in an interview with the Chinese magazine the Economic Observer,

soybean trade financing is sustained either by exchange rates or by [overseas financing] interest rates. If the Chinese yuan depreciates and provokes losses, at least borrowings would be relatively costless due to favourable interest rates. (Pang 2014)¹⁶²

In such a favourable scenario, Sunrise and other Shandong’s POEs became rapidly essential players in the soybean trading business. By 2012, Sunrise controlled approximately 9.44 per cent of China’s soybean imports (D. Zhang 2018, 49). One year later, it grew even more, becoming China’s leading importer. Meanwhile, Rizhao Changhua Foodstuff, Shandong Everbright, and Shandong Yongfei International replicated Sunrise’s methods and grew into the sector’s top players (J. Lu 2018, 126) (Table 11).

Table 11: China’s top 5 soybean importers in 2013 (unit: million tons, %)

Sunrise	7.59	12%
Jiusan	7.19	11%
Wilmar International	6.25	10%
COFCO	4.52	7%
Sinograin	4.53	7%
Shandong’s POEs other than Sunrise	2.65	4%

Source: China customs, cited in SPD Bank (2014, 85); Niu and Wong (2014) and Zhao and Hu (2014). Data compiled by the author.¹⁶³

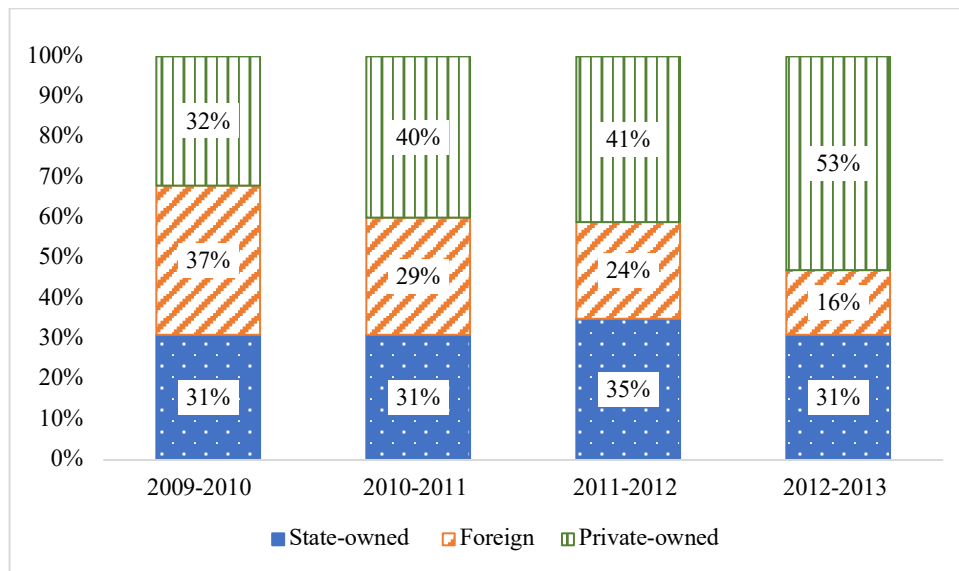
¹⁶¹ Besides soybean processing and trading, Shao’s company also ventured in the petrochemical sector for exports (Qian 2015).

¹⁶² Translated by the author from the original “大豆贸易融资，赚的一个是汇率，一个是利率。如果人民币贬值，起码汇率赚不到钱了。利率可能还能赚到，境外融资成本相对还是比较低的”。

¹⁶³ Sunrise’s soybean imports estimated by its credit ratings are slightly higher than those calculated by China Customs.

The growth of Sunrise and the other Shandong POEs became an example for small and medium private enterprises that also sought profit from soybean trade. In the words of Sunrise’s Chairman Shao Zhongyi, “as [China’s soybean] import volume reaches new heights, small traders recognise that this business is profitable and also venture in it” (Pang 2014).¹⁶⁴ Therefore, from 2009/2010 to 2012/2013, the Chinese private participation in soybean imports grew over foreign transnationals and reached 53 per cent of China’s import shares (Figure 37). Despite not relying entirely on letters of credit from foreign banks – as did Shandong’s POEs – most of those players, including the national private capitalist Hopefull, benefited from this financing tool (Ye 2018).¹⁶⁵

Figure 37: Ownership proportion of China's soybean imports



Source: Nepstad (2017), cited from China Soybean Industry Association.

With a declining control over soybean imports, some foreign agribusiness TNCs partnered with domestic players to regain political support and financing in China. For instance, in 2009, the Asian transnational Noble Group moved its headquarters from Singapore to Hong Kong. It also sold 14.9 per cent of its stock shares to China Investment Corporation (CIC), which belongs to China’s sovereign wealth fund (King 2009; Hughes and Noble 2014).¹⁶⁶ In

¹⁶⁴ Translated by the author from the original “进口量达到新高, 小贸易商看到这块钱好赚, 也纷纷参与进口。”

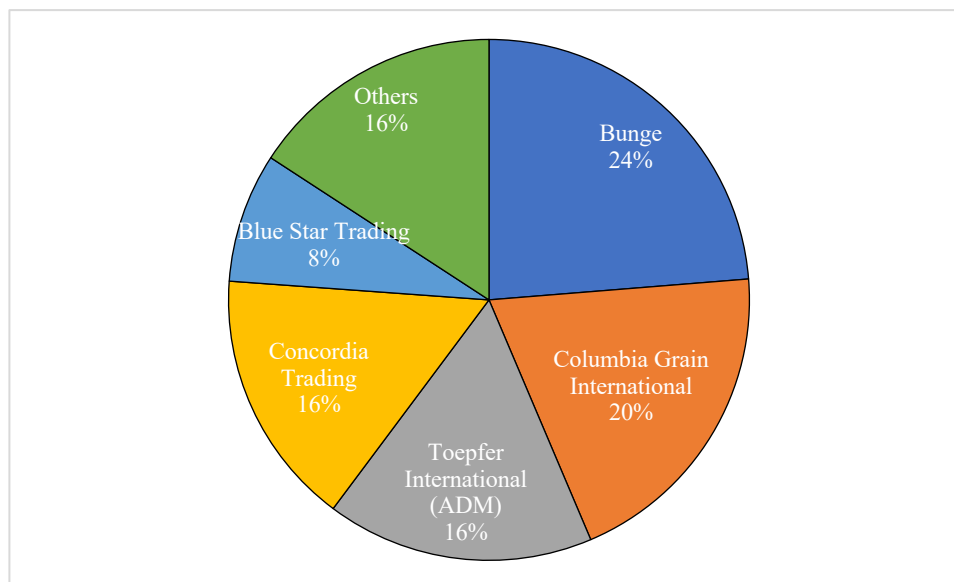
¹⁶⁵ This information was confirmed to the author in an interview with BRIC Agri-info Consulting, Pei (2019b).

¹⁶⁶ Despite its close approach to the Chinese financing, Noble kept a transnationalised ownership structure and business orientation. As an illustration, in 2012, Noble appointed Yusuf Alireza, a former

turn, Cargill, who until 2011 had full ownership control of all its soybean processing assets in China, established a partnership with the Chinese giant feed producer New Hope Group. Moreover, it nominated, for the first time, local staff to become president of its business unit in the country (Z. Li 2019; Sohu 2019).

However, the most useful way to safeguard the transnational bourgeoisie's interests in China was by associating with Shandong's POEs and taking advantage of their dependent position in the global soybean supply chain. Accordingly, by importing primarily through CIF contracts, this group of Chinese enterprises reached only the domestic operational segments of international trade, such as purchasing, distribution and marketing.¹⁶⁷ Their continued reliance on foreign suppliers allowed the transnational bourgeoisie to maintain some of its trade influence by selling soybeans to them. For instance, from 2010, Bunge gradually established comprehensive business cooperation with Sunrise (SPD Bank 2014). By 2013, most of Sunrise's soybean suppliers were foreign TNCs (Figure 38), including in a smaller proportion the European-based Louis Dreyfus, and the Asian Wilmar and Noble (People's Government Office of Ju County 2012, 54).

Figure 38: Proportion of Sunrise's soybean suppliers in 2013



Source: Sunrise Group, extracted from Zhao and Hu (2014, 13).

co-head of Goldman Sachs in Asia, as its chief executive, which helped turning the company the “darling of [international] investors” (Sender 2012).

¹⁶⁷ Through CIF (Cost, Insurance and Freight) contracts, the seller takes charge of costs and liabilities until it delivers the goods to the recipient.

As Shandong's POEs associated with foreign TNCs, they distinguished themselves from the national private bourgeoisie. Instead of further developing their own bases of accumulation – as did the national private bourgeoisie – they acted progressively as commercial intermediaries, becoming a new incarnation of the associated bourgeoisie (Chapter 1). Following the establishment of *comprador* links with foreign capital, they went under a political discipline, representing the interests of foreign agribusiness TNCs in China, just like the old associated bourgeoisie. For example, in addition to importing soybean from Bunge, Sunrise's subcontractor Xinbang Grain and Oil Corporation assisted Bunge's subsidiary in the processing sector (Bunge Sanwei Oil Co.) in procuring domestic soybean and launching new business operations in the North China region (SPD Bank 2014, 50).

6.4. Going Out for What?

When analysing the downfall of Chinese investments overseas, the existing literature does not consider China's changing trade dynamics provoked by the rise of the new associated bourgeoisie. As pointed out earlier in the Chapter, most scholars analyse sourcing strategies in Brazil dissociated with contextual political and economic determinants at home. To address this limitation, I draw attention to the associated bourgeoisie's impact on China's inter-capitalist relations. Accordingly, increasing imports led by the associated bourgeoisie have cheapened down supply costs and benefited domestic soybean processors. With affordable soybean at home, Chinese-based capitalists lost their economic impulse to go abroad and pursue their own sourcing channels. To understand this phenomenon, we must further analyse the changing dominant mechanisms of soybean imports in China and its economic and political impacts.

Following the old path of the associated bourgeoisie, the Shandong POEs developed productive bases in China apart from commercial operations. Nevertheless, instead of soybean processing, they launched substantial investments in real estate and microcredit (Pang 2014). With the government's "neo-Keynesian" stimulus to tackle the effects of the 2008 world financial crisis, these sectors became economic hubs with high-profit rates (Table 12). The associated bourgeoisie's proximity with the Chinese state probably paved its way to venture into those sectors. For instance, Sunrise's Chairman Shao Zhongyi was a Member of the Standing Committee of Rizhao Municipal People's Political Consultative Conference in 2010-2012 and 2012-2014 and Deputy of the 12th National People's Congress in 2013. His political influence might have favoured Sunrise's participation in a state urbanisation project of 6,7

hectares of transferred farmland in Rizhao and might have allowed Sunrise to obtain credit from Rizhao Bank and Qingdao Bank for similar purposes (SPD Bank 2014; Baidu Encyclopedia n.d., 202).

Table 12: Gross profit margin of Sunrise's core businesses

	Real estate	Petrochemical	Trade	Oilseed processing
2011	30.72%	11.43%	11.11%	9.96%
2012	29.2%	9.25%	9.2%	8.72%

Source: Zhao and Hu (2015, p. 1, 2014, p. 1), data compiled by the author.

Another facilitator for Sunrise and other Shandong POEs to reinvest in profitable sectors was through benefits obtained from soybean imports. Those benefits, though, were less about profits made out of trade transactions and more about its financing mechanisms. Accordingly, as letters of credit allowed delayed repayment with cheap interest rates, soybean imports became a convenient tool to raise funds. From the time LCs were issued until the payments came due, the associated bourgeoisie used it to reinvest elsewhere and obtain further borrowings in China (D. Zhang 2018, 49). As a result, by the end of 2013, Sunrise received US\$ 2,21 Billion, mostly from big national banks (SPD Bank 2014, 125).¹⁶⁸

However, as they became a financial tool, soybean imports soared regardless of their economic returns. The more the new associated capitalists imported, the more credit they obtained to invest in profitable economic segments (D. Zhang 2018, 49). To increase imports, though, Sunrise had to sell ever-cheaper soybeans (Table 13), provoking a continuous fall in its profit margins from trade operations (Figure 39). Nevertheless, as reinvested segments like real estate had around three times higher profit margins than Sunrise's core businesses (Table 14), it was still worth continuing to import recklessly.

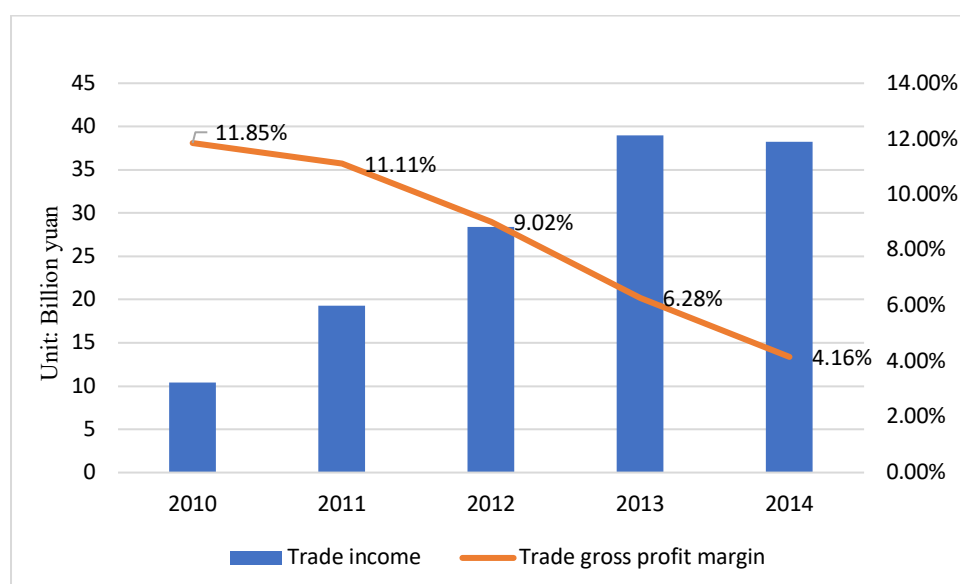
¹⁶⁸ Calculated by the author based on 2021's currency exchange (1.00 RMB = 0.15 US Dollars). Four national banks provided Fifty-five per cent of that amount: the Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China, Exim Bank of China, China Construction Bank.

Table 13: Sunrise's soybean imports volume and price indicators

	Soybean imports (million tons)	Price difference between Sunrise's soybean imports and domestic sales (Chinese yuan)
2010	2.50	¥430
2011	4.25	¥405
2012	5.51	¥329
2013	7.59	¥217
2014	7.46	¥179

Source: Zhao and Hu (2015, 11; 2014, 14), data compiled by the author.

Figure 39: Sunrise's trade income and profit margin

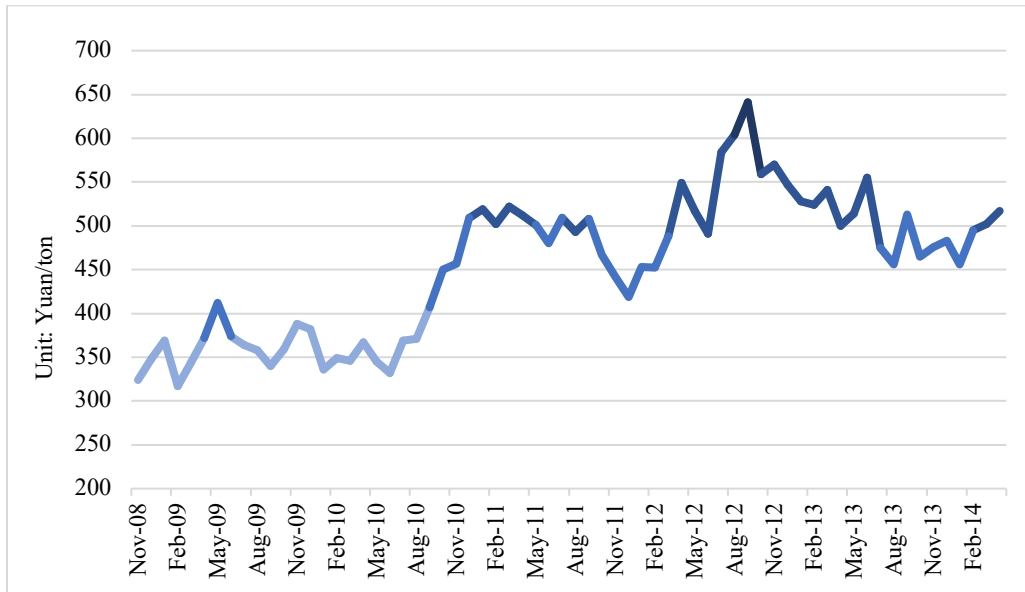


Source: Zhao and Hu (2014; 2015); data compiled by the author.

The associated bourgeoisie's imports favoured both soybean trade (controlled by foreign TNCs) and processing (progressively controlled by state-led and other Chinese based-capitalist class fractions). Regarding the former, even though the transnational bourgeoisie eventually reduced their room for price speculation, they benefited in other ways: By playing on both ends of the supply chain (exports from abroad and domestic sales intermediated by associated capitalists), foreign TNCs transferred to their Chinese counterparts most costs from trade operations, such as shipping, insurance, and marketing. Given the favourable cost-benefit, they exported soybeans to the Shandong POEs and became, simultaneously, their clients in China. For instance, in 2013, Bunge purchased 1.8 million tons of soybean from Sunrise, the same amount it sold to Sunrise in Brazil and the US in that year, with merely a six per cent

price difference (Zhao and Hu 2014, 14).¹⁶⁹ Besides, China’s soaring imports provoked an upward tendency in world soybean prices, which allowed foreign TNCs to trade at inflated prices (Figure 40). In the words of Sunrise’s Chairman Shao Zhongyi, “the United States believed that Chinese demand was very strong, so their exporters fiercely raised prices” (Pang 2014).¹⁷⁰

Figure 40: Prices of soybean futures at the Chicago Board of Trade



Source: China Grain Yearbook (2011, 2012, 2013, 2014, 2015); data compiled by the author.

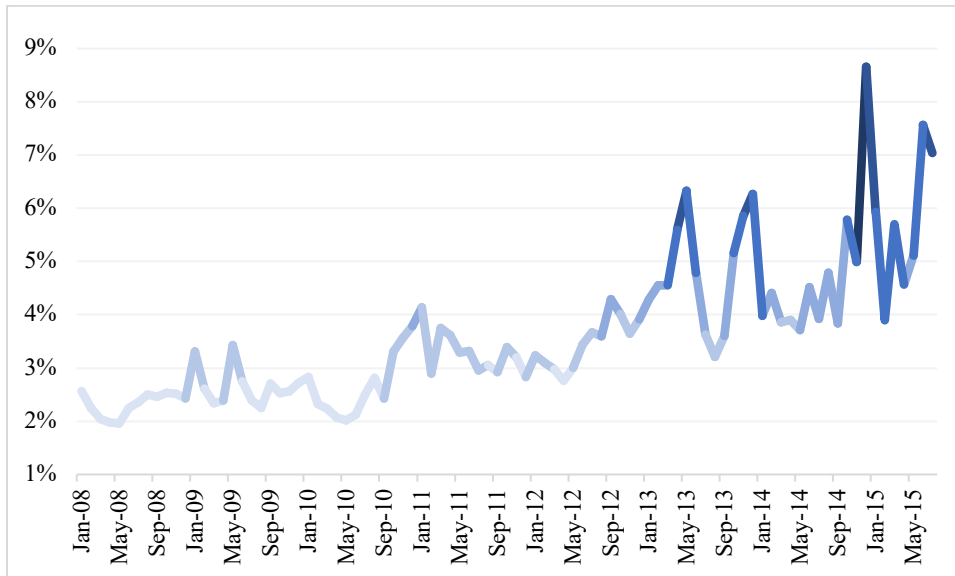
As for soybean processing, Chinese-based capitalists with a strong presence in this sector benefited the most from large and affordable soybean imports by associated capitalists. Accordingly, as Sunrise and other Shandong POEs sold soybeans *en masse* with low returns, the domestic supply exceeded by far the demand. By Winter 2012, Chinese soybean inventories were exceptionally full (Figures 41 and 42). The backlog in Chinese ports reached the point that COFCO, Wilmar International, and Sunrise resold some imports to other countries (Yong

¹⁶⁹ Bunge’s sales for Sunrise accounted for US\$975,7 million, while Bunge Chia-Tai Grain and Oil Co. from Tianjin and Nanjing purchases accounted for US\$1,035 million (Zhao and Hu 2014, 14). Calculated by the author based on 2021’s currency exchange (1.00 RMB = 0.15 US Dollars).

¹⁷⁰ Translated by the author from the original "美国认为，中国需求很刚性，就拼命涨价。”The transnational bourgeoisie benefited largely from global soybean trade also because the soybean production costs in Brazil and the US did not increase significantly between 2008 and 2014 (Yan, Chen, and Ku 2016, 386), allowing them sell with low costs and high prices in the global market.

Liu 2014; D. Xu 2015). As a result, soybean prices plummeted, reducing production costs in favour of domestic processing enterprises (Figure 43).

Figure 41: China's port utilisation/inventory rate of soybean



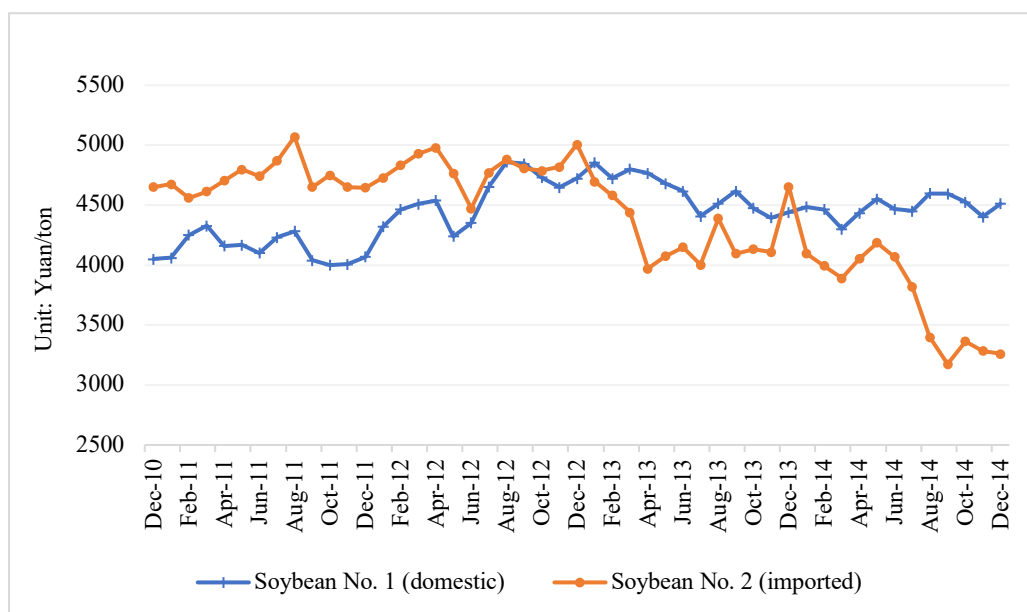
Source: Sublime China Information Database (n.d.), data compiled by the author.

Figure 42: The image shows workers of Jiangsu Nantong Port unloading imported soybeans at the dock in January 2014



Image extracted from Yong Liu (2014).

Figure 43: Price variation of domestic and imported soybean at Dalian Commodity Exchange



Source: China Grain Yearbook (2011, 2012, 2013, 2014, 2015); data compiled by the author.

The benefits of cheap soybean supply outstripped the state-led bourgeoisie’s long-term stance in favour of independent soybean sourcing. Such was its interest in lowering the costs of soybean processing that this class fraction and other Chinese-based capitalists boycotted the government's attempts to raise prices and stabilise domestic soybean agriculture.¹⁷¹ For instance, in December 2010, China's National Development and Reform Commission (NDRC) held a meeting with COFCO, Jiusan, and Chinatex. The NDRC asked them to participate in a state reserves' auctioning of (high-priced) soybeans and discouraged them from compensating the adverse impacts by raising soybean oil prices (Mi 2010). Even so, they declined. As a senior executive of Jiusan argued:

If we are not allowed to raise the price of edible oil, and the price of upstream soybean rises, the processing enterprises will not have an optimistic future. It is reasonable that enterprises are not willing to purchase [soybean from state reserves], and the state auction fails. (Mi 2010)¹⁷²

The national private Hopefull went even further. Also in December 2010, the company deliberately suspended the production of its processing plants for eight consecutive days, which

¹⁷¹ With the possible exception of the state-led Sinograin, who managed the state reserves of grain and oilseeds.

¹⁷² Translated by the author from the original “食用油不允许涨价，而上游大豆的价格在涨，加工企业对于后市不看好，企业不愿意进货，所以大豆流拍也是正常的。”

raised the suspicion of a possible retaliation to the government's price regulation policies (Mi 2010; X. Zhang 2010). Besides benefiting from low soybean prices, Hopefull engaged directly in trade financing. Part of its supply came from its own import operations with letters of credit, through which Hopefull also reinvested in real estate and other lucrative industrial sectors (D. Zhang 2018, 49; Hopefull Grain and Oil n.d.).

In the same way, some Chinese enterprises benefited indirectly from trade financing mechanisms by partnering with associated capitalists. For instance, the transnationalised state capitalist COFCO, in addition to renewing some of its preferential supply agreements with foreign TNCs,¹⁷³ established close business relations with Sunrise. In 2008, the two companies jointly invested in a poultry breeding and processing facility in Rizhao port-city and established trade contracts to import soybean. In 2013, COFCO was among Sunrise's top 5 customers, purchasing around 12 per cent of its total soybean sales (SPD Bank 2014, 52).

In a scenario in which not only the foreign TNCs but also all other capitalist class fractions benefited from the associated bourgeoisie's import boom, soybean supply was no longer a matter of concern for China's soybean processing sector. Instead, the abundant provision of imported supply reduced trade operations' returns in general, discouraging Chinese enterprises from importing soybean themselves. For example, as Jiusan purchased more – through its parent company Beidahuang – for lower prices (Table 14), Beidahuang's commercial profit margins dropped from 11.27 per cent in 2011 to 5.12 per cent in 2013, and 4.62 per cent in the following year (Dong and Liu 2015; Dong and Shi 2014). The same phenomenon happened to Chinatex. Whereas its profit margins from import operations plummeted, its profit margins from processing rose from minus 1.91 per cent to 4.90 per cent between 2012 and 2014 (Table 21). As a final emblematic example of how obsolete became China's global sourcing strategies, Shandong Bohai Agriculture, a minor national private capitalist, boosted its capacity in only four years into the top five soybean crushing companies, despite having no independent sources of supply (Figure 44).

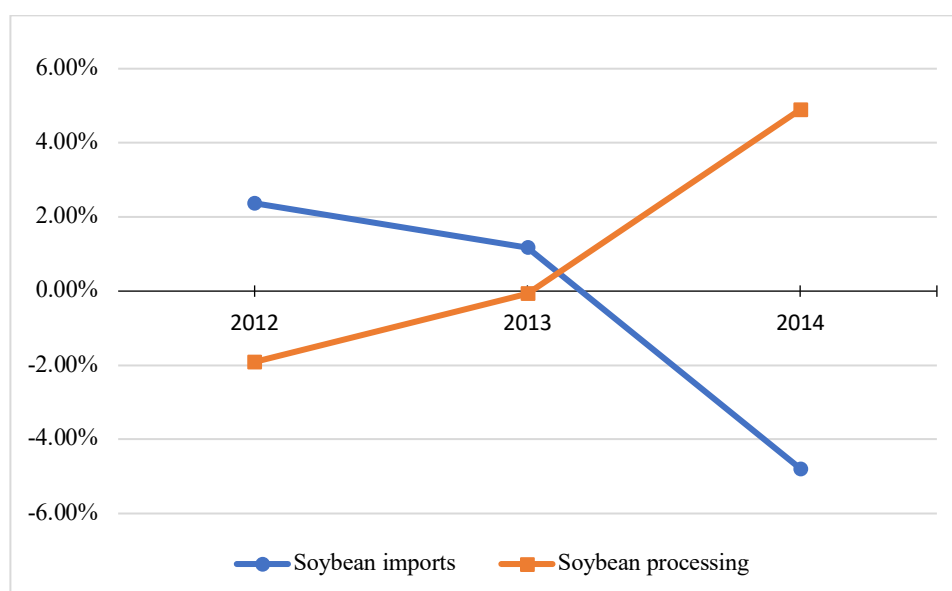
¹⁷³ COFCO's subsidiary China Agri-Industries renewed its three-years' "Oil-related Mutual Supply Agreement" with Wilmar Holdings in January 2009, and reached trade deals with Cargill, ADM, Bunge, Louis Dreyfus, and Noble during the following years ('China Agri Annual Report' 2014; 'China Agri Annual Report' 2009).

Table 14: Jiusan’s soybean procurement indicatives

	2012	2013	2014
Total supply (million tons)	6.8	8.75	8.68
Average procurement price (yuan/ton)	4449	4276	3751

Resource: Dong and Shi (2014); Z. Liu and Liu (2017). Data compiled by the author.

Figure 44: Chinatex's profit margins of soybean imports and processing



Source: China Lianhe Credit Rating (Y. Wang and Dong 2015), data compiled by the author.

Since domestic soybean processors obtained cheap soybean supply directly or indirectly through trade financing, we assume that the Chinese overseas downfall coincided with a general lack of enthusiasm for investing abroad. As Guo Qingbao, the chief information editor of China Oils and Fats Magazine suggested in 2011, Chinese agricultural going out drawbacks and the spread of trade financing are part of the same problem (J. Hu 2011b). At the time Chinese enterprises in Brazil and Argentina faced operational difficulties and public disapproval, they found no economic advantages to sourcing soybean from these countries. In the words of a research director of BRIC Consulting, “if other companies could sell to Chinese

enterprises cheap soybeans, why would they spend money abroad?”.¹⁷⁴ Thus, the rise of the new associated bourgeoisie allowed Chinese-based capitalists to gain massive profits with soybean processing, which explains the contrast between China's overseas downfall and domestic success.

6.5. The State-led Shot in the Foot

In addition to having a common background – of trade financing proliferation – China's overseas downfall and domestic success are two mutually related phenomena. Such a contrast presents a cause-and-effect relationship in which China's domestic processing growth generated direct impediments for its going out efforts. To understand the connection between both phenomena, we must first highlight that, besides the general lack of enthusiasm to go abroad, the state-led Beidahuang was placed under enormous financial pressure, which ended up contributing to the decline of its investment prospects in Brazil and Argentina. According to a Beidahuang's senior executive,

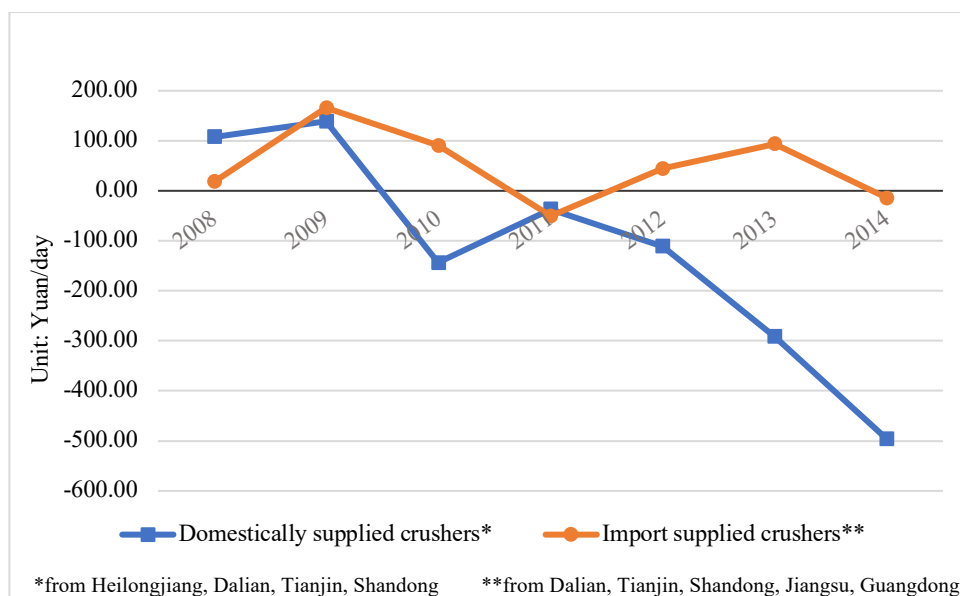
agricultural ‘going out’ projects not only bear great [economic] risks but are also very costly, particularly in the early stages of investment. They require a large sum of capital and a long investment cycle with slow returns. The lack of funds became the bottleneck of Beidahuang's overseas development.¹⁷⁵

Given that Beidahuang was a critical state-led capitalist player with audacious investment prospects overseas, its financial constraints represented a significant blow to the Chinese global soybean sourcing. However, assuming that Jiusan (Beidahuang's processing subsidiary) thrived with cheap imported soybeans and generous state subsidies, one could wonder why financial constraints would become a barrier to its parent company's international expansion. No matter how strange it might seem, the answer is also related to the rise of the associated bourgeoisie – from whom Jiusan itself benefited. In essence, the overflow of imported soybean through trade financing disrupted China's soybean agriculture and increased the supply costs of North-eastern processors, including part of Jiusan's operations (A. Lu 2013). As a result, since 2010, Chinese crushers supplied with domestically produced soybean had constant losses (Figure 45).

¹⁷⁴ Pei, Chuanfa. 2019. (Research Director of BRIC Agri-Info Consulting), in discussion with the author via phone call, 2 January 2019.

¹⁷⁵ Liu, Yingtao (Senior executive of Heilongjiang Beidahuang Land Reclamation Group), in discussion with the author. Harbin, 31 October 2018.

Figure 45: China's Average Soybean Crushing Profits



Source: China's Ministry of Agriculture, extracted from Sublime China Information Database (n.d.). Data compiled by the author.

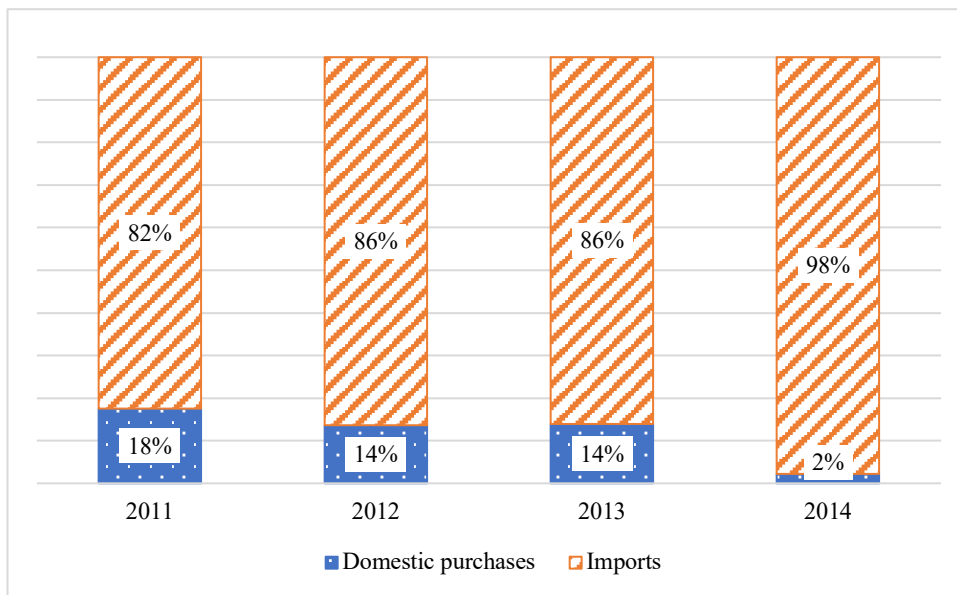
Against this background, instead of counteracting the overflow of soybean imports, Jiusan blamed state subsidies and storage policies that it once advocated (Chapter 5). As Jiusan's Chairman Tian Renli stated in an interview with the Chinese journal *Agricultural Economics*,

the [government's] misunderstandings about domestic soybean production, its current agricultural price control mechanisms, and the policy uncertainty to this sector pose a serious threat to the survival of Chinese enterprises, restricting them from becoming stronger and bigger. (Bu and Jiang 2010, 55)¹⁷⁶

By criticising the state policies on soybean production, Jiusan exempted from any responsibility related to the domestic crisis. Even though its parent company Beidahuang controlled most of Heilongjiang's soybean farming, Jiusan turned progressively into imported soybeans to supply its processing operations (Figure 46).

¹⁷⁶ Translated by the author from the original “现行的对于国产大豆认识上的误区、农产品价格形成的机制、各种产业政策的不稳定性等等对企业的生存构成了严重威胁，从而限制了企业的做强做大”。

Figure 46: Proportion of Jiusan's soybean procurement

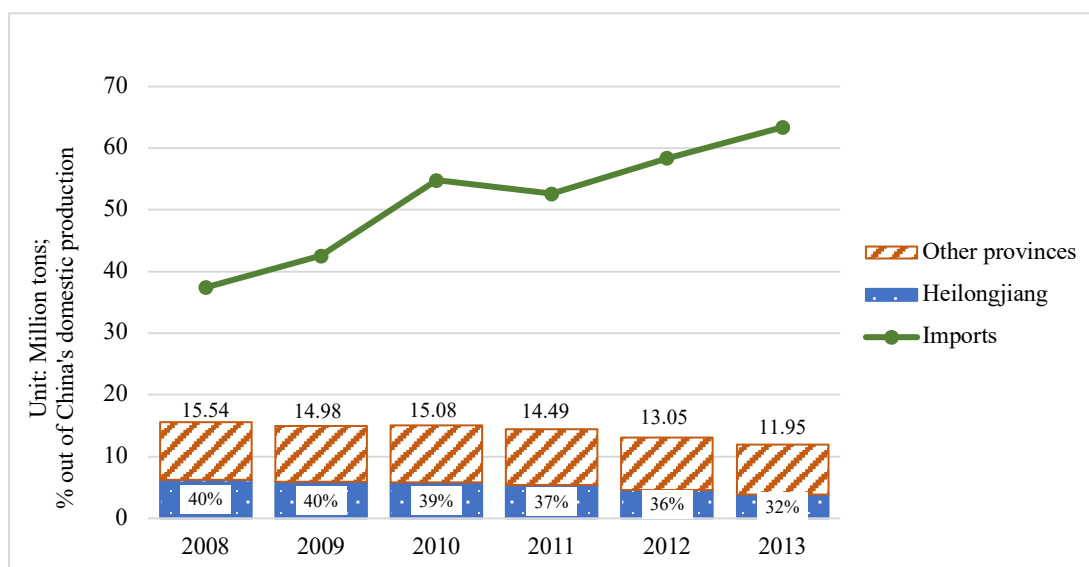


Resource: Dong and Shi (2014); Z. Liu and Liu (2017). Data compiled by the author.

Jiusan's new stance probably rested on trade financing's favourable role in limiting the TNCs-transnationalised state bourgeoisie price speculation and reducing price spikes' risks. With cheap and stable soybean supply from the associated bourgeoisie, Jiusan had no interest in sacrificing its profitable processing business to sustain domestic soybean sales, as it once did to regulate prices (Chapter 5). Besides, whereas the state-led support for rural-bias policies was a useful way to instrumentalise social discontent during the 'battle of the beans', as Jiusan gained sufficient state support, it rather demanded further government subsidies for China's processing sector and the reduction of tax benefits paid to small soybean farmers (Bu and Jiang 2010, 56).

However, as one can imagine, Jiusan's new stance instead aggravated the domestic soybean crisis. With the shrinking demand for domestically produced soybean, Chinese farmers from Jiusan's based province Heilongjiang switched to corn production or stopped farming altogether (Sharma 2014; Yan, Chen, and Ku 2016). While soybean imports continued growing, domestic outputs dropped from 15.54 million tons in 2008 to 11.95 million tons in 2013, among which Heilongjiang's shares reduced from 40 per cent to 32 per cent (Figure 47). As a result of declining production, prices went invariably high – which explains the plummeting profits of North-eastern processors.

Figure 47: China's domestic soybean production and imports



Source: China Agriculture Yearbook (2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018); General Administration of Customs (n.d.); data compiled by the author.

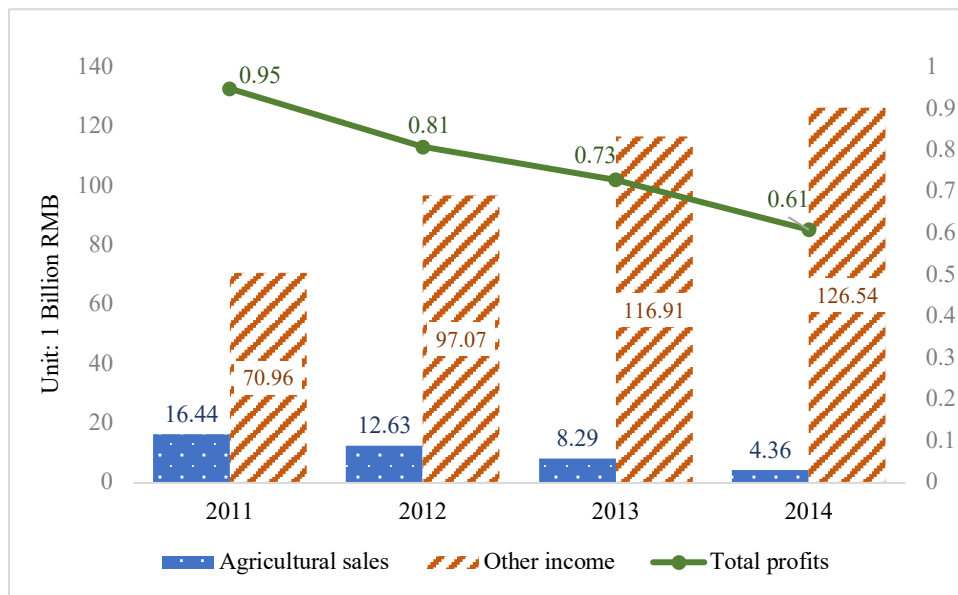
Contrary to what Jiusan's executives might have expected, the domestic soybean crisis contributed to its parent company's financial deterioration. Following the declining soybean production in Heilongjiang province, Beidahuang's agricultural sales dropped from 16.44 billion RMB in 2011 to 4.36 billion RMB in 2014 (the equivalent to 2.42 billion dollars and 0.64 billion dollars, respectively).¹⁷⁷ Although soybean imports boosted Beidahuang's revenues from processing activities, its falling profit margins from commercial operations reduced the company's returns (Figure 48). Instead of rural bias policies (according to Jiusan's Chairman Tian Renli), the domestic agricultural decline and Beidahuang's subsequent financial constraints resulted from Jiusan's adherence to imported soybeans in the context of trade financing. Therefore, global sourcing was no longer feasible, nor it would solve (in the short run) Beidahuang's financial constraints. As an industry insider told China Business News,

the crisis of China's soybean industry does not lie in whether the Chinese or Argentines come to grow soybeans. The key issue is that China's soybean industry has undergone serious financialization, and soybean [trade] had become a target for obtaining hot money from abroad and for speculation in the domestic market. (J. Hu 2011b)¹⁷⁸

¹⁷⁷ Currency converted by the author based on 2022 rate (1 RMB = 0.15 US\$).

¹⁷⁸ Translated by the author from the original “中国大豆产业的危机不在于是中国人还是阿根廷人来种大豆，关键在于中国大豆产业已经出现严重的产业金融化，大豆成为海外热钱和国内投机资本的重点对象。”

Figure 48: Beidahuang's revenue and profit (2011-2014)



Source: China Lianhe Credit Rating, Dong and Liu (2015); Dong and Shi (2014). Data compiled by the author.

It is worth mentioning that, to boost agricultural sales and solve Beidahuang's imbroglio, state officials from Heilongjiang province attempted to consolidate the local market niche by stimulating non-GM soybean oil and soy-food production. In July 2010, Heilongjiang government proposed the mandatory labelling of transgenic-free food products (W. Li 2013). The following year, the province's Farms and Land Reclamation Bureau alongside China Soybean Industry Association settled a non-GM soybean core reserve in the 93rd Administrative Region, the birthplace of Jiusan company (W. Li 2013). However, according to a senior official of China's Ministry of Agriculture, given the government's difficulty to inspect the country's soybean supply routinely, imported soybean kept penetrating China's food market and disrupting the domestic production.¹⁷⁹

In the end, the Chinese "domestic success" contributed to its overseas drawback: Jiusan's benefits from imported soybeans, although boosting soybean processing, generated its own economic impediments to going abroad. For instance, even before Argentina approved a ban on farmland sales to foreign enterprises, a director of the Commercial Department of Heilongjiang Province Farms and Land Reclamation Bureau told China's Business News that

¹⁷⁹ Chen, Yulin (Senior Official of the Ministry of Agriculture and Rural Affairs of the People's Republic of China), in discussion with the author. Beijing, 12 October 2018. See also Bielecki (2017) and Hu (2015).

Beidahuang had no clear resolution on how to finance its projects in the country (J. Hu 2011b). Similarly, Beidahuang's decision to withdraw from the bidding of the Brazilian Itaquí grain terminal in 2010 and its dismissal from further investments in Brazil are related to an internal scenario of increasing financial constraints.

6.6. Final considerations

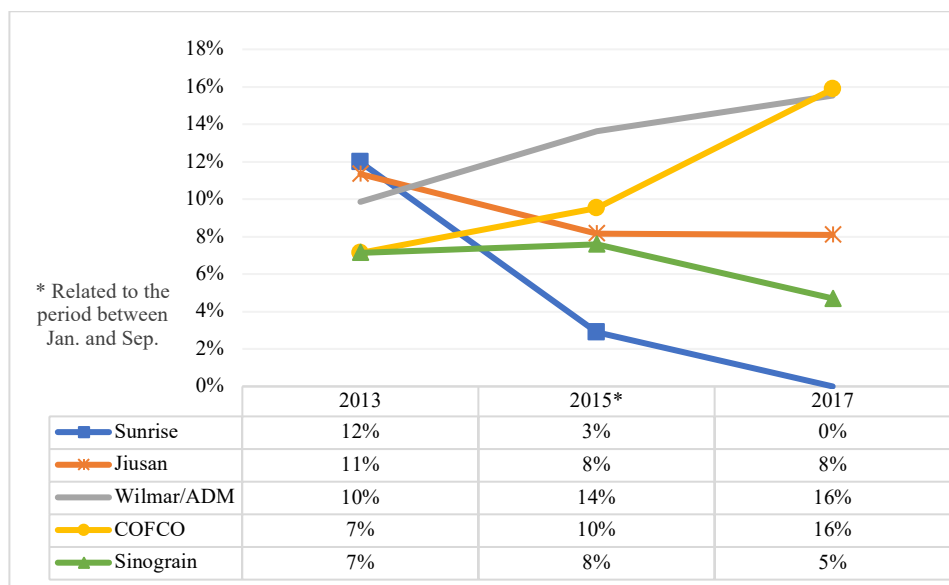
This chapter showed that whereas Chinese enterprises guided by the state-led bourgeoisie failed to establish independent supply channels in South America, their domestic soybean processing businesses flourished. By disregarding the Chinese domestic contingencies, Oliveira (2017) overestimated the Chinese misleading investment strategies overseas and could not explain the contrast between China's overseas downfall and domestic success. I suggested that in addition to operational difficulties and international public disapproval, the state-led global sourcing misadventures were also due to financial constraints and a lack of enthusiasm to "go abroad". Then, I demonstrated that these two additional aspects are intimately related to the inter-capitalist relations in the soybean downstream complex, particularly with the rise of the associated bourgeoisie. Although Shandong POEs served as commercial intermediaries and represented the interest of foreign TNCs' in China, they brought enormous benefits to the domestic soybean processing sector – progressively controlled by Chinese-based capitalists. As the associated bourgeoisie used soybean imports as a financing mechanism to invest in more profitable sectors, they cheapened down soybean prices by selling extensively with low returns. Therefore, cheap soybean supply met the Chinese processing demand, allowing Chinese-based capitalists to reduce production costs without having to invest abroad. Simultaneously, the state-led preference towards imported soybean contributed to the decline of domestic agriculture, reducing – contradictory as it might seem – Beidahuang's overall profits and diminishing its financial capacity to carry out its overseas prospects.

However, the "going out" hindrance described in this chapter would soon come to an end due to the own limitations of trade financing and the subsequent decline of the new associated bourgeoisie. Notably, the Shandong POEs' soybean imports (for financing) would eventually run out against the domestic demand, and China's economic slowdown would restrain their ability to make profits from multiple businesses operations. Following the decreasing demand for feed meal with an avian flu outbreak and reducing meat prices in 2014, soybean processors from Shandong province defaulted their supply contracts and disrupted the

associated bourgeoisie's import operations (S. Xu 2016, 36; X. Zhang 2014). Since then, some frightened foreign banks would impose harder conditions for issuing letters of credit, provoking capital liquidity shortage among Sunrise and other Shandong POE's (Niu and Wong 2014). Consequently, their soybean trade and other secondary businesses that depended on trade financing would collapse amidst China's economic slowdown, leading to the bankruptcy of Sunrise and other associated capitalists in the late 2010s (Agricultural Futures Network 2016; M. Zhang 2018).

Nevertheless, the associated bourgeoisie's debacle would not follow the recovery of the state-led prominence, neither in the domestic processing industry nor in China's global soybean sourcing operations. Instead, as Sunrise's imports shrunk, the transnationalised-state COFCO would take over its leading trading position alongside the foreign transnational Wilmar and ADM (Figure 49). The following chapter will analyse the reasons behind COFCO's rapid rise and its political and economic implications in China's soybean downstream complex.

Figure 49: Chinese soybean import shares by company



Source: Cofeed (2019); Niu and Wong (2014); Qian (2015); Zhao and Hu (2014). Data compiled by the author.

Chapter 7: The Global Rise of the Transnationalised State Bourgeoisie (2013 onwards)

7.1. Introduction

During Xi Jinping administration, the transnationalised state bourgeoisie, represented mainly by COFCO, gained unique political prestige. In contrast with rival fractions of the bourgeoisie, COFCO received preferential financial support from state institutions, working in close collaboration with Chinese policy banks. In such a favourable political scenario, the company launched unprecedented outbound agricultural investments. During 2014-2017, COFCO acquired Noble Agri – which accounted for approximately 65 per cent of the Hong Kong-based Noble’s assets – and the Netherland-based Nidera (Noble Group 2015, 6). Both Noble and Nidera were among the fastest-growing agricultural commodity traders in South America. With the two foreign acquisitions and subsequent outbound investments, COFCO controlled the same amount of South American soybean exports as Louis Dreyfus and more than ADM in 2018 (Wesz Jr., Escher, and Fares 2021). Thereby, the company became a showcase of China’s expansion in global agricultural markets. In 2019, it handled 100 million tons of agricultural commodities, with 11,000 employees in 35 countries beyond China (Yan 2019).

When analysing the international expansion of Chinese agribusiness, the literature on international food regimes (Belesky and Lawrence 2019; McMichael 2020; Tilzey 2018) – which connects global relations of food production and consumption to historical power arrangements – tend to frame China’s agribusiness expansion as part of what is known as neomercantilism. This concept refers to state-driven development based on fiscal and monetary protectionist policies as a means through which countries achieve a favourable balance of trade and push forward national economic growth. It contrasts with market fundamentalism based on speculative finance that marked the US global hegemony since the 1970s. As China becomes a leading food, feed, and fuel consumer pole and a globally competitive industrial powerhouse, neomercantilist strategies imply increasing state promotion of outbound investments for domestic agricultural and raw material provision (F.-L. T. Yu 2019). According to Belesky and Lawrence (2019), McMichael (2020), and Tilzey (2018), Chinese

agri-food enterprises go abroad under state support primarily seeking control over imports and, consequently, reordering world trade fluxes in line with food security targets.

However, scholarship on Chinese investments in South America, indicates that COFCO's expansion entails a rather complex scenario in which different Chinese enterprises adopt diverging sourcing strategies, at times adapting their management and operation according to local and global tendencies (Escher, Wilkinson, and Pereira 2018; Guo 2017; Oliveira 2018). By examining COFCO's international expansion, this chapter suggests that the transnationalised state capitalist company adopted a unique investment approach marked by a diversified trade portfolio in the soybean supply chain. It mimicked Noble's and Nidera's sourcing strategies in South America and profited from agricultural exports to multiple countries and regions. Moreover, the company pushed forward a finance-driven accumulation strategy by taking advantage of open capital markets overseas to attract foreign investors and raise shareholder value. COFCO's case demonstrates that the neomercantilism narratives are unable to evaluate the diversity of China's outbound investment strategies as they limit their analyses to a state-led commercial reductionism. Rather, those narratives fit into easy accusations from Western liberal governments that simplify Chinese policies to self-centred economic protectionism (Beretta and Iannini 2014).

In order to address the limitations neomercantilism narratives, I examine China's recent political and economic transformations behind COFCO's "going out" attempts. I suggest that these transformations correspond to what critical geography (David Harvey and Henri Lefebvre) identify as spatial and temporal fixes.¹⁸⁰ Accordingly, increasing public spending on soybean processing infrastructure for soy meal and cooking oil production after the 2008 global financial crisis aggravated industrial overcapacity and corporate indebtedness. With little room for surplus capital to be absorbed within the economy, COFCO's transnationalised state bourgeoisie set capital accumulation through spatial deferring and temporal displacement, transferring processing infrastructure to new and cheaper resource complexes in South America (McKay et al. 2017; Fares 2019). Therefore, instead of assuring soybean supply to the domestic market, COFCO's main drive for international expansion was to export capital and access markets worldwide.

¹⁸⁰ Spatial and temporal fixes refer to territorial logics of power through which capitalist accumulation provides a particular solution to inherent crisis tendencies by moving capital surpluses away over space and time (Harvey 2005, 115–24).

It is worth mentioning that Wesz Jr., Escher, and Fares (2021) indicate the role of neomercantilist strategies as a transitory mechanism for Chinese agribusiness to reorder (and, simultaneously, adapt to) the international food regime. From this perspective, neomercantilism does not contradict COFCO's global constituency, given that the domestic market serves as a trampoline for the company to go global rather than as an end itself. Nevertheless, the new dynamics of capitalist expansion in China through spatial and temporal fixes and its effects on "going out" strategies show that regardless of the neomercantilism transitory functionality, COFCO's global expansion is still marginally related to commercial capital. Instead, the transnationalised state bourgeoisie follows finance-driven imperatives for opening new frontiers of accumulation through trade speculation and leverage. The company has put surplus capital into movement through the financialization of operation and management in financial markets abroad. It opened a multinational investment platform and relied progressively on offshore firms, therefore avoiding taxation, attracting international financiers, and operating capital market investments. In addition, COFCO expanded its futures hedging transactions and participated in blockchain operations in commodities trade, through which it obtained high profits with trade speculation.

Moreover, the disputes between different fractions of the bourgeoisie of the soybean downstream complex demonstrate that the notable rise of financial capital follows a class-based political process. It corresponds to a new *modus operandi* of state institutions toward supervising state assets according to shareholder interests, as Wang's (2015) notion of a shareholding state suggests. Following this tendency, the Xi Jinping administration fully supported the transnationalised state bourgeoisie while persecuting executives from the rival state-led Jiusan, Sinograin, and other less financialized enterprises. With political favouring, COFCO's accumulation strategy prevailed, and its international expansion at odds with neomercantilism became a dominant phenomenon.

The global prominence of Chinese agribusiness has not reverted the dynamic financialisation of the international food regime, which marked the rise of the US hegemony since 1970. Instead, COFCO integrates into finance by attracting, acquiring, and assembling financial capital overseas in its favour. It expresses a global dimension of China's shareholding state, which uses central planning and state ownership to compete over prominence within global finance. Therefore, I argue that the centrality of state planning and state ownership is not contradictory to COFCO's finance-driven strategy. It rather promotes the company's international expansion by providing it with monopolistic property rights. For example, as section 7.4 demonstrates, for the acquisition of Noble Agri, China Investment Corporation

(CIC), China's sovereign wealth fund, used its shares in the company to facilitate COFCO's purchase on favourable terms. In this way, the state allows COFCO to place itself in an advantageous position in financial markets, instead of moving away from it through neomercantilist strategies.

The following sections lend support to the argument presented above. Section 7.1 further examines the neomercantilism narratives vis-à-vis scholarship interpretations of China's recent financial expansion. I demonstrate how spatial and temporal fixes have increased trade speculation and financial leverage in the soybean downstream complex. I explain how COFCO ventured into shadow banking activities and agricultural financing, pushed forward corporate management reforms, diversified its ownership structure towards open equity and transferred assets to open capital markets in Hong Kong and remote locations. Moreover, to understand the correlation between financial expansion and institutional rearrangements in China, Section 7.2 engages with Wang's (2015) concept of a shareholding state. It shows how the Xi Jinping administration embraced COFCO's accumulation strategy as the state reoriented the nature of its economic intervention, allowing the company to grow over rival capitalist class fractions and become a leading soybean importer and processor.

In turn, Section 7.3 relates the domestic political and economic changes with COFCO's investment dynamics overseas. I point out that in search of displacing surplus capital, COFCO progressively transfers soybean processing assets overseas and opens new frontiers of accumulation not necessarily linked to China's domestic economy. I also draw attention to the centrality of financial capital in COFCO's international expansion, contrasting it with the state-led commercial reductionism from the neomercantilism paradigm. Lastly, Section 7.4 re-evaluates the role of the state in COFCO's global engagement.

7.2. A New Search for 'Spatial and Temporal Fixes'

The concept of neomercantilism is inspired by Friedrich List's (1789–1846) and Alexander Hamilton's (1757-1804) critiques of classical economic liberalism and brought to the contemporary Chinese context by Breslin (2011) in his analysis on the particularities of China's interaction with the global economy. The concept refers to the centrality of national development led by state intervention through economic protectionist mechanisms such as exchange rate control, regulatory certification requirements, export subsidies, national-bias domestic technology standards, and discriminatory government procurement. As Belesky and Lawrence (2019), McMichael (2020), and Tilzey (2018) employ neomercantilism in the food

regime literature, they conceive a more territorialized tendency in which global food provision increasingly serves the Chinese domestic consumer market and contributes to the reproduction of labour (bringing down labour costs) at home. For them, neomercantilist strategies are a transitory mechanism through which China adapts and, at the same time, reorders the neoliberal international food regime, altering global trade and capital fluxes in its favour. As Chinese enterprises integrate into global agribusiness, they pursue economic and socio-political stability in line with food security policies. They contrast with trade speculation marked by recurrent world food crises. Therefore, China supposedly represents an antidote to the Western-dominated agribusiness model while embracing some aspects of the WTO free trade agenda. This perspective coincides with Harris' (2009, 2006) idea of transnational state capitalism, considering China's rising power as part of new divisions in global capitalism, in which domestic capitalists place themselves as social-statist competitors within transnational capitalist classes (Chapters 1).

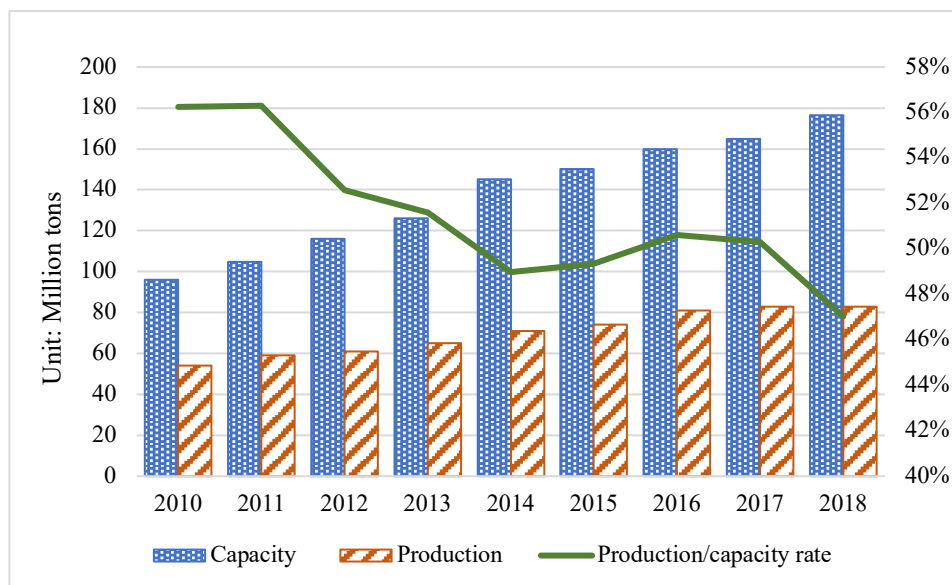
However, China's post-2008 economic development allowed the transnationalised state bourgeoisie to expand through alternative forms of accumulation, affecting China's global agribusiness engagement. As McKay et al. (2017) point out, China's response to the 2008 world economic crisis contributed to a renewed search by agro-industrial capital for 'spatial and temporal fixes'. Accordingly, to prevent an economic recession, the central government approved an enormous fiscal stimulus that reverted to increasing public spending on urban construction and industrial infrastructure – repeating China's neo-Keynesian formula applied during the 1997 Asian financial crisis (Aglietta and Bai 2016). Even though the massive state-driven investment sustained economic growth, it deteriorated the domestic capacity to absorb surplus capital. In other words, the economy grew so much that capital found less and less lucrative domestic ventures, leading to a potential over-accumulation crisis. As surplus capital had increasingly little room to be absorbed in the economy, it took spatial and temporal displacement to provide the necessary conditions for further accumulation. Dispossession of small households from farmland through the commodification of land and labour and displacing food processing capacities by creating new and cheaper resource complexes provided social conditions and physical infrastructures for further capital accumulation.¹⁸¹

In the soybean processing sector, whereas public spending contributed to the recovery of domestic ownership after 2008, it aggravated the sector's industrial overcapacity and led to

¹⁸¹ For more analyses on agrarian capitalist expansion in China, see Day and Schneider (2018), Yan and Y. Chen (2015), Zhang et al. (2015).

stagnation (Figure 50). Between 2012 and 2018, soybeans destined for crushing activities dropped from 75 per cent to 64 per cent of the total supply, while stockpiled and discarded soybeans grew eight percentage points (Figure 51). With productive investments exceeding the actual market demand, investment loans generated continuously lower returns, and more loans had to be incurred to repay interest. As an illustration of such indebtedness, leading enterprises in the soybean downstream complex, such as the state-led Beidahuang (Jiusan's parent company) and the transnationalised state COFCO and Chinatex reached 81.27 per cent, 81.01 per cent, and 71.36 per cent debt ratios by 2016, respectively, figuring above the 70 per cent red line stipulated by the State-Owned Assets Supervision and Administration (SASAC) (X. Liu and Li 2017b; 2017a; Z. Liu and Liu 2018).¹⁸²

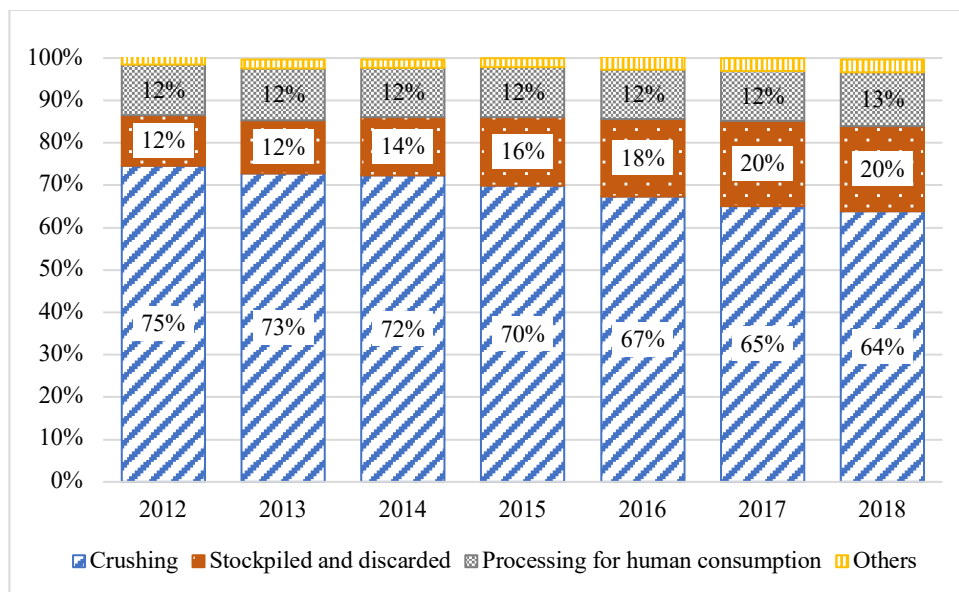
Figure 50: China's soybean crushing capacity and production indicatives



Source: BRIC Agri-Info Consulting (n.d.). Data compiled by the author.

¹⁸² SASAC's financial evaluation targeted central SOEs (which does not apply to Beidahuang), requesting them to reduce debt levels since 2018 (Y. Xiao 2018).

Figure 51: China's soybean market destination



Source: BRIC Agri-Info Consulting (n.d.). Data compiled by the author.

Contrary to what the neomercantilism approach would suggest, the increasing flows of interest-bearing capital within the Chinese economy and the enormous amount of surplus capital lacking means for profitable investment tended to move capital out of production (Harvey 2018). This included the creation and proliferation of new financial instruments, such as state-guided investment funds, local government financing platforms, leveraging instruments derived from state asset ownership diversification and increasingly securitized fixed asset investments (Lan and Zhang 2021; Pan, Zhang, and Wu 2020). Instead of fostering capitalist accumulation based on the production sphere of the domestic soybean downstream complex (such as extracting surplus value from soybean processing and cooking oil refining), the new economic scenario allowed a rapid expansion of finance-driven capital, adding pressure for the further liberalisation of China's capital account.

Against this background, the transnationalised state bourgeoisie's accumulation strategy, traditionally more integrated into global finance than rival capitalist class fractions, found room to open new frontiers of speculation and financial leverage. The transnationalised state COFCO turned its financial arm COFCO Capital into an asset management and investment platform, encompassing most of the Group's related companies (Figure 52).¹⁸³ In

¹⁸³ In 2015, COFCO Capital held 65 per cent equity of COFCO Futures, 76 per cent equity of COFCO Trust, 50 per cent equity of Sino-British Life Insurance, 20 per cent equity of Longjiang Bank and 100 per cent equity of Shenzhen Mingcheng (Zhao 2017).

2009, it founded COFCO Trust, which, like the various trusts that emerged after 2008, acted as a less regulated bank, also known as shadow banking (Tsai 2015, 15).¹⁸⁴ The company also raised funds for lending for primarily “wasteful spendings”, such as construction projects and agricultural equity investments with short-term financial gain (Collier 2018, 64).

Figure 52: Enterprises affiliated to COFCO Capital in China

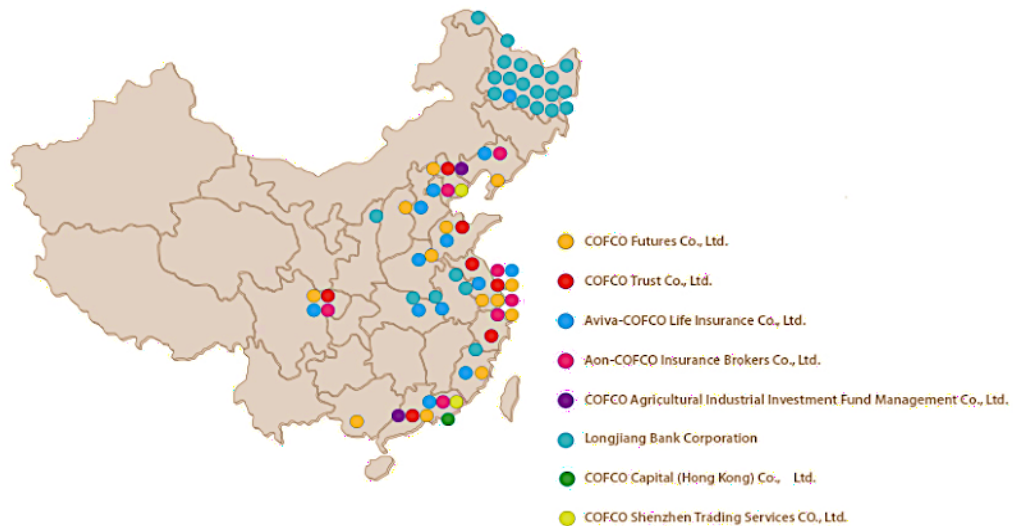


Figure extracted from ‘COFCO Capital’ (n.d.).

In addition to informal financing, COFCO took advantage of China’s credit boom to venture into the banking sector. In an effort to develop farming-related businesses – COFCO’s weakest niche – the company partnered with state-owned investors from the agricultural advanced Heilongjiang Province to found Longjiang Bank Corporation in December 2009 (‘Longjiang Bank Annual Report’ 2010, 66).¹⁸⁵ It profited primarily from exploitative financial mechanisms, such as debt relations with rural households.¹⁸⁶ Meanwhile, aiming to reduce liability levels, COFCO went through corporate and ownership reforms that included downsizing and the erosion of working conditions and injection of private capital, including

¹⁸⁴ Corporate trusts corresponded to 24 per cent of all Chinese financial transactions in 2016 (Collier 2018, 173).

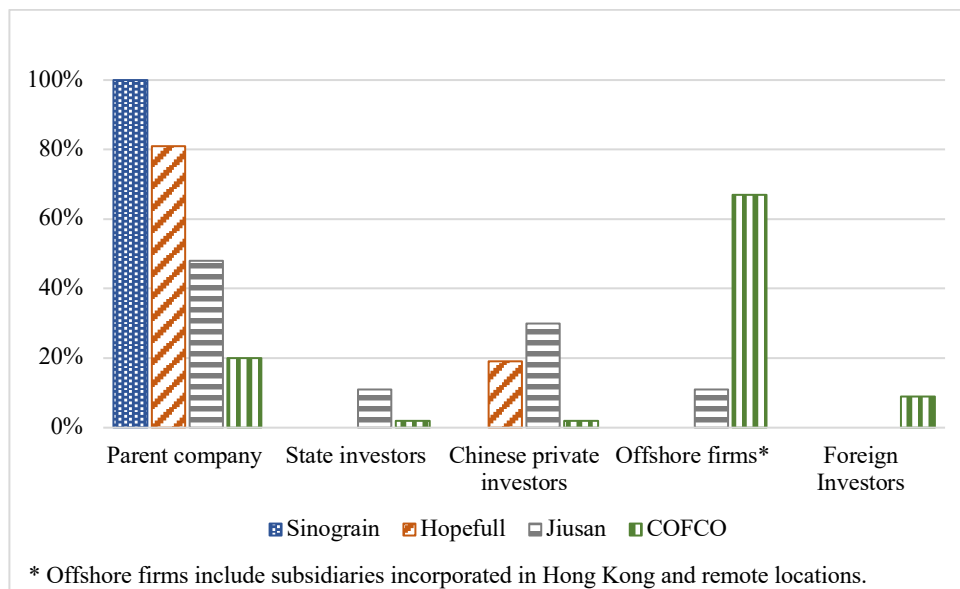
¹⁸⁵ Liu, Yingtao (Senior executive of Heilongjiang Beidahuang Land Reclamation Group), in discussion with the author. Harbin, 31 October 2018.

¹⁸⁶ For more on the financialization of agriculture in China, see Yang et al. (2016).

public offerings. From 2016 to 2018, COFCO reduced its middle-level and lower-level management salaries, laid off staff, and integrated multiple business units (J. Chen 2018).¹⁸⁷

Moreover, the company listed three subsidiaries in the stock exchange market, including COFCO Capital (L. Liu 2017). By 2019, the COFCO Group had eleven joint stock subsidiaries and still considered a company-wide IPO (J. Li 2016; Q. Lu and Yang 2015; Ren 2019, 87). Therefore, COFCO’s transnationalised state bourgeoisie consolidated its finance-driven accumulation strategy based mainly on offshore firms, which contrasted with the rival state-led bourgeoisie (Sinograin and Jiusan) and the national private bourgeoisie (Hopefull) (Figure 53).

Figure 53: Ownership share of each enterprise's crushing capacity in 2018



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.¹⁸⁸

¹⁸⁷ Beijing headquarters reduced its staff from 610 to 216, and specialized subsidiaries reduced their staff from 1988 to 1171, a total decrease of 65 per cent and 41 per cent, respectively (W. Liu 2018).

¹⁸⁸ Regarding Sinograin’s ownership structure, the author took into consideration the following crushing facilities: Sinograin Oils and Fats Industrial Dongguan Co., Sinograin (Zhenjiang) Oils and Grains Co., Sinograin Oil (Xinzheng) Co., Sinograin Grease (Tangshan) Co., Sinograin Oil Industry Panjin Co.; regarding Hopefull’s ownership structure, the author took into consideration Sanhe Hopefull Foodgrain and Cooking Oil Group International Trade Co, Hopefull Oil Technology Co., Liaoning Hopefull Rongxing Protein Technology Co.; regarding Jiusan’s ownership structure, the author took into consideration Jiusan Group Harbin Huikang Food Co., Dalian Soybean Technology Co., Harbin Soybean Products Co., Jiusan Group Tianjin Soya Science and Technology Co., Huiyu Feed Protein (Fangchenggang) Co., Jiusan Group Bei'an Soy Products Co., Jiusan Group Tieling Soybean Technology Co., Jiusan Group Changchun Soybean Science and Technology Co.

Lastly, COFCO took a step forward toward financial and equity opening through corporate and ownership reforms. It welcomed Chinese private investors such as Hony, Wen, and First Agriculture to participate and expand their shares in COFCO's 14 subsidiaries (L. Liu 2017; L. Wang 2018). COFCO also conducted foreign financial investments in China, partnering with Bank of Montreal (BMO) Financial Services Group – which acquired 19.99 per cent shares of COFCO Trust (Collier 2018, 63) – and expanded its already existing Sino-foreign joint insurance brokerage business – which allowed COFCO to gain high profits from selling insurance premiums (Zhao 2017).

7.3. The Political Supremacy of the Transnationalised State Bourgeoisie

One could argue that COFCO's finance-driven expansion in the soybean downstream complex is isolated from power dynamics, with no implications on state institutions and policies. However, current theoretical debates and empirical evidence reveal that the recent spread of speculative financial institutions in China is rather historically specific, reflecting current political and class-based strategies. Taking Wang's (2015) shareholding state concept as a reference, China's credit boom and the subsequent creation of new financial mechanisms within the state sector have changed the way officials manage the economy and carry out public investment. For Wang, these changes turn the purpose of state control from basic public administration and allocation of fiscal resources towards supervising assets according to shareholder value. As a result, shareholders and executives of Chinese SOEs have increased their transit among the officiality and have decisively competed to obtain funds and maximise their holdings. At the same time, according to Pan et al. (2020), local governments have gone into fierce inter-regional disputes to obtain the central government's support for applying financialised policies. The rush for credit generation and shareholding competition through corporate finance have, therefore, affected the state sector's management and investment decision-making, contributing to reorienting further the state towards financial expansion. As Wang points out,

the rise of the shareholding state speaks to the shifting nature of state interventionism as the state has deemphasized direct planning and administrative interference but increasingly operates through the corporate arrangement of shareholder rights and activism (Y. Wang 2015, 7).

China's institutional rearrangements toward a shareholding state took an evident shape during the Xi Jinping administration. The November 2013 Third Plenum of the CPC's 18th

National Congress, in which Xi took the party leadership, adopted a more aggressive approach to reforming and opening up the economy, laying the basis for an unprecedented expansion of financial capital (Naughton 2019). The congress reaffirmed the decisive role of market allocation of resources and emphasized the need to progressively liberalize China's capital market (H. Lu 2013).¹⁸⁹ Against such a favourable political background, the transnationalised state bourgeoisie received vast political support, which demonstrates that its finance-driven accumulation strategy is not an isolated and “depoliticised” aspect of the Chinese economy. COFCO's corporate and ownership reforms were carried out under SASAC's approval and guidance as part of the second batch of central SOE reforms (L. Liu 2017; Ren 2019, 88). After leveraging US\$4.15 billion in two years through equity diversification and stock-issuing,¹⁹⁰ SASAC's 2016 Central Enterprise Leader's Business Performance Assessment rated COFCO an A-level enterprise (L. Wang 2018; Y. Chen 2017). COFCO Coca-Cola's Beijing factory, an emblematic Sino-foreign joint venture established in 2000, received a first-hand visit from SASAC's National Spiritual Propaganda Group (精神宣讲团 in Chinese) as a recognition of the company's performance in the aftermath of the 19th Party Congress held in October 2017 (Y. Chen 2017).¹⁹¹ Meanwhile, after years of constant reduction, COFCO received an increasing amount of state subsidies and significant infusions of credit from Chinese policy banks, such as the China Development Bank's US\$4.57 billion loan for a term of five years from 2013 (China Daily 2013) (Figure 54).¹⁹²

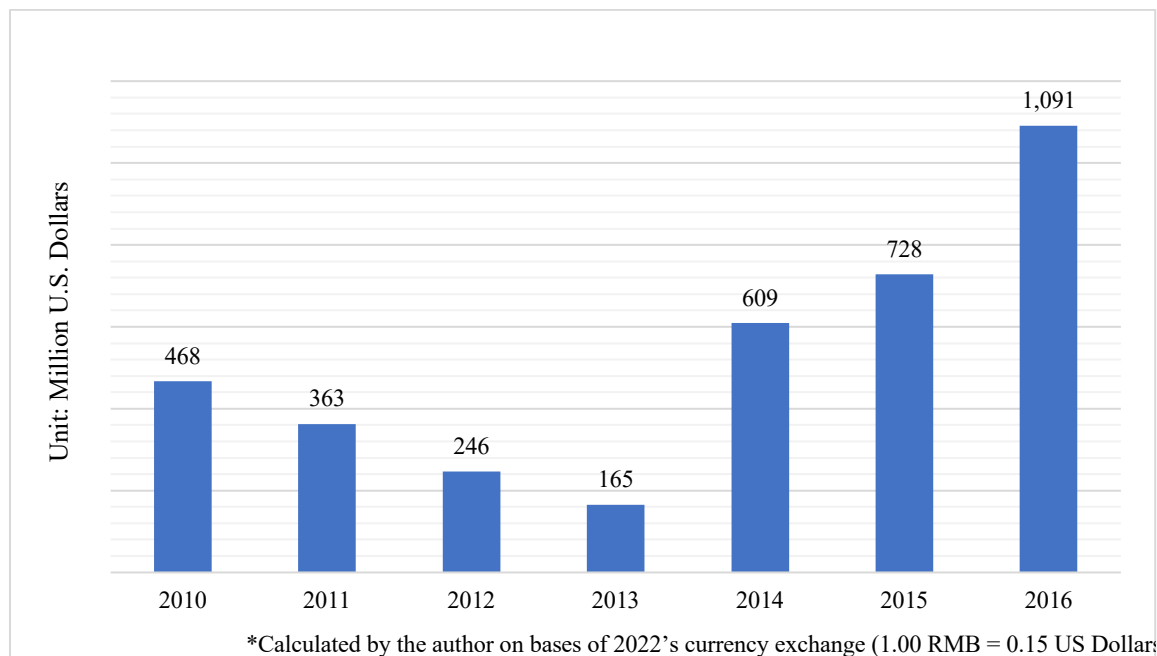
¹⁸⁹ An increasing number of SOEs have entered the stock market under SASAC's orientation to “center around the core missions of raising the efficiency of state-owned capital” and “prevent the loss of state-owned assets” (China State Council 2015). By 2017, 68.9 per cent of central SOEs passed through internal reforms and adopted mixed ownership (He 2017). At the same time, executives were encouraged to increase their capital share following SASAC's plans to “nurture a large number of outstanding entrepreneurs” (China State Council 2015).

¹⁹⁰ Calculated by the author based on 2021's currency exchange (1.00 RMB = 0.15 US Dollars).

¹⁹¹ National Spiritual Propaganda Group is a propaganda team formed after the CCP's National Congress to spread the “spirit of the Party.” SASAC's Group traditionally visits and mobilizes Party committees in strategic companies and institutions.

¹⁹² Currency converted by the author based on 2022 rate (1RMB = 0,15 US\$).

Figure 54: State Subsidies to COFCO



Source: China Lianhe Credit Reports: X. Liu and Li (2017b), K. Wang and Zhang (2012), X. Xiao (2013), Xu and Liu (2016), and C. Zhang, Xie, and Xiao (2013). Data compiled by the author.

Nevertheless, China's recent financial expansion and consequent political reconfigurations are not a homogeneous process. Looking at the soybean downstream complex, I note that these changes involve reshuffling power relations among capitalist class fractions. For instance, as COFCO's finance-driven accumulation strategy became dominant in the sector, the government repressed and marginalised productive-based and domestically oriented capitalist rivals. For instance, the state-led Beidahuang's senior executives went under investigation during Xi's far-reaching anti-corruption campaign – which consolidated his leadership in the party (L. Li 2019). In 2014, the Party's Central Commission for Discipline Inspection (CCDI) targeted Sui Fengfu and Tian Renli, respectively the chairmen of Beidahuang and its soybean processor subsidiary Jiusan, for allegations of professional misconduct and bribery (Y. Chen 2014; Shanghai Daily 2015, 201). Sui was sentenced to 11 years in prison in 2015, which damaged his status as a key political figure from Heilongjiang Province and a claimant to higher echelons of China's agricultural affairs (Hu 2016; The Global

Times 2016).¹⁹³ In turn, Tian Renli, who was less influential in the party's internal disputes, was only compelled to withdraw himself from public engagement and took an "atypical retirement" from the Jiusan chairmanship (Y. Chen 2014).¹⁹⁴

Moreover, Sun Zhengcai, China's former Minister of Agriculture (2004-2009) who stood against trade speculation during the mid-2000s soybean price spikes (Chapter 5), was expelled from the party and sentenced to life imprisonment in 2018. The same fate has befallen the former Minister of Commerce (2004-2007) Bo Xilai, who despite siding against Sun at the time, spotted the real estate subsidiary COFCO Pengli in the first round of his anti-corruption campaign after becoming the Chongqing mayor in 2007 (A 2009; Deng 2011). Bo also integrated Chongqing's 50 agricultural SOEs into a single conglomerate called Chongqing Grains and made clear his intentions to use it as a counteraction to the foreign TNC's influence in the Chinese soybean complex (Oliveira 2017, 246). As Xi Jinping's competitor to the party's leadership, Bo Xilai became the first big target of the anti-corruption campaign and was sentenced to life imprisonment as soon as Xi took power (BBC 2013).

In addition, the transnationalised state bourgeoisie's influence within the state allowed COFCO to grow through rentier strategies of accumulation, benefiting from politically constituted monopolies (Chapter 1). COFCO was taken by SASAC as a backbone to integrate state-owned assets to the detriment of state-led rivals. SASAC allowed the company to appoint directors to the centrally controlled SOE China Grains and Logistics Corporation's board of directors (henceforth CGLC).¹⁹⁵ Thereby, COFCO's transnationalised state bourgeoisie placed itself in an advantageous position to merge with CGLC, winning a contentious dispute with the state-led Sinograin, which was at that time China's largest agri-food conglomerate (X. Zhang 2012; Peng 2016) (Table 15). As an industry insider told the Chinese newspaper *21st Century Business Herald*, "the competition between Sinograin and COFCO is fierce. Both of them hope to restructure CGLC, which has vast logistics and storage resources. Now that COFCO has

¹⁹³ At the time Sui Fengfu went under judicial investigation, he held the position of Party Committee Secretary of Heilongjiang Province Farms and Land Reclamation Bureau (2008-2014) and Former Deputy Head of the Heilongjiang Provincial People's Congress Standing Committee (2013-2014).

¹⁹⁴ Likewise, the state-led Sinograin had to reshuffle some of its intermediary management positions due to a corruption scandal involving Li Changxuan (李长轩 in Chinese), former Chairman of Sinograin's Henan branch.

¹⁹⁵ In 2012, COFCO's former Vice President Chi Jingtao became CGLC's General Manager and Deputy Secretary of CGLC's Party Committee. Peng Anqiao and Xu Feng, the former General Manager and Deputy General Manager of COFCO Grain and Oil Co, respectively, became CGLC's Deputy General Managers (X. Zhang 2012).

completed its personnel layout [by appointing directors], it has taken the lead” (X. Zhang 2012).¹⁹⁶ In the following years, SASAC also channelled COFCO’s integration of critical agri-food enterprises, such as the private-owned China Huafu Trade and Development Group and, most importantly, the transnationalised state Chinatex (Donley 2019; Oliveira 2017, 319).

Table 15: Economic indicators of state-led and transnationalised state enterprises in 2013

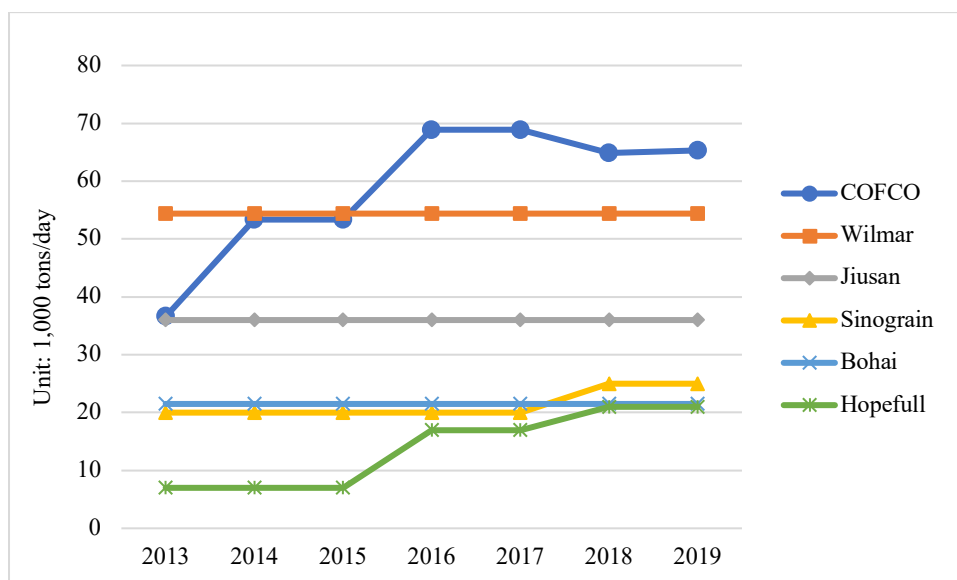
	Assets (RMB)	Revenues (RMB)
Sinograin	518.39	190.83
COFCO	284.33	184.89
Beidahuang	169	130.39
Chinatex	26.8	46.78

Source: China Lianhe Credit Rating (X. Liu and Tian 2014; Z. Liu and Fang 2017; Zhong and Wang 2014); China State-owned Assets Supervision and Administration Yearbook (2014).

In short, instead of an inert economic tendency, COFCO’s recent international expansion relates to profound changes in the power relations within the Chinese state during the Xi Jinping’s administration. With preferable state support, COFCO consolidated its prominent position in the soybean downstream complex and pushed forward its finance-driven strategy. COFCO’s transnationalised state bourgeoisie replaced state-led and national private capitalists as the poster child of China’s going out efforts. Amidst the debacle of the previous trade financing import frenzy, COFCO rose as the country’s leading soybean supplier (Figure 48, Chapter 6), and from 2016 onwards, it became the biggest soybean processor, far above its main competitors (Figure 55).

¹⁹⁶ Translated by the author from the original “中储粮与中粮集团竞争很激烈, 都希望重组拥有物流和仓储资源的华粮, 中粮现在完成人事布局, 已占得先机”.

Figure 55: Soybean processors with daily crushing capacity above 20,000 tons in China (2013-2019)



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.

7.4. Thinking Beyond Neomercantilism

As initially examined in the previous sections, COFCO goes abroad primarily following capital attempts to displace and defer a potential overaccumulation crisis at home. Contrary to neomercantilism narratives, COFCO's outbound investments allocate surplus capital for profitable realisation in places with lower labour costs, supply of raw materials, and access to foreign markets. Thereby, despite its own historical characteristics, COFCO goes through a similar offshoring experience to that of Western industry in the 1990s (Chesnais 2019, 90; Blinder 2013). It attempts a spatial fix by transferring assets to where it is more advantageous to proceed with further capital accumulation.

Accordingly, by the time COFCO acquired Noble and Nidera, the two companies controlled not only a large chunk of the South American soybean export market but also local soybean meal and oil production, particularly in Argentina, which traditionally holds a strong soybean processing industry (Table 16). Although COFCO paralysed the operations and cancelled the prospecting of some processing plants in South America (Wesz Jr., Escher, and

Fares 2021), the company still relied significantly on soybean processing at a global level from which it integrated into most segments of the soybean commodity chain. As the Chairman of COFCO International Corporation (CIL), Chi Jingtao (迟京涛 in Chinese), said during the Financial Times Commodities Global Summit in 2019, “we are already investing heavily in expanding our storage, processing, distribution, and trading infrastructure across our global operations, and this includes assets serving markets beyond China” (FT Commodities Global Summit, 2019). As a result, one-third of COFCO’s soybean crushing capacity – 30 million out of 90 million tons – is currently located abroad, where the company obtains more than half of its income (COFCO n.d.; Li and Yang 2020, 51).

Table 16: Noble’s and Nidera’s soybean industrial share in South America

	Soybean exports (per cent)	Crushing capacity (per cent)
Brazil	6.1	2.9
Argentina	15	12.8
Paraguay	11	0
Uruguay	1.9	0

Source: Aduanas (n.d.), Chamber of Industries of Uruguay (n.d.), AMALF (n.d.), Trase (n.d.); cited in Wesz Jr., Escher, and Fares (2021). Data compiled by the author.

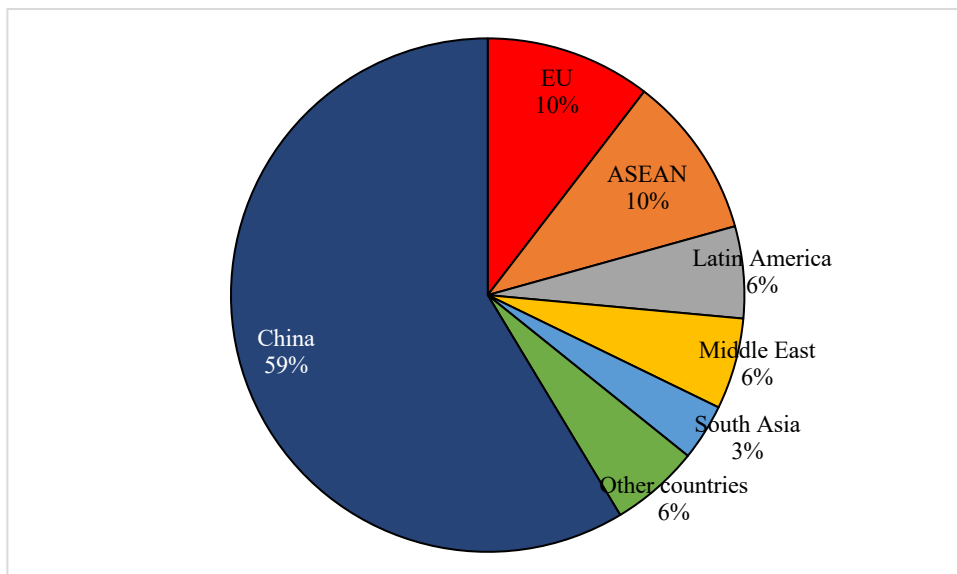
Nevertheless, we should notice that Belesky and Lawrence (2019) and McMichael (2020) take neomercantilism as a transitory mechanism encompassing the geographical distribution of agro-industrial capital beyond strict commercial relations. For them, state-driven efforts for supplying the Chinese domestic market through outbound investments are seen more as means to reorder the international food regime than an end in itself. In other words, neomercantilism is a tool for China place in the world economy in an advantageous way, though its impacts on global power arrangements are yet to be seen. Therefore, these authors leave room for interpretation over the eventual deviating strategies COFCO might take to expand its accumulation strategy worldwide. From this perspective, COFCO’s industrial offshoring and other forms of export of capital may as well reflect the transitory character of China’s global stance.

Wesz Jr., Escher, and Fares (2021) further elaborate on such a transitory character of neomercantilism by suggesting that China’s domestic market serves as a trampoline through which COFCO expands its control over global agri-food value chains. In this way, Chinese

enterprises use strategies for supply control to expand globally, accessing foreign markets and competing with North Atlantic-based TNCs for trade prominence. COFCO's commercial strategy overseas lends support to their argument. Whereas its soybean sourcing from South America meets China's domestic demands, COFCO still expands globally by selling a significant part of its supply to other foreign markets. In 2018, 41 per cent of COFCO's soybean exports from Brazil and Argentina went to the EU, ASEAN and other economic blocs and regions (Figure 56), not to mention the production destined for the Brazilian and Argentinean domestic markets. As COFCO's Chairman Ning Gaoning (2004-2016) characterised COFCO's new international subsidiary during the Financial Times Commodities Global Summit in 2015:

I don't think the company is going to be a Chinese company, it is going to be a global company with global shareholders, management, standards, and in the global value chain. But with something in China, the market is a bonus, [it] is a benefit to leverage, to grow the company faster. It's not going to be a company that only supplies China. China is only one destination. The company now is selling grains, oilseeds, sugar, everything, in many many countries. China is only part of it. (FT Commodities Global Summit, 2015)

Figure 56: COFCO's soybean exports from Brazil and Argentina in 2018



Source: Trase (n.d.); data compiled by the author.

However, by focusing on the geographic distribution of trade and capital, one might ignore how the transnationalised state bourgeoisie profits from trade and what type of capital is at play. As we further examine COFCO's accumulation strategy and look at its investment methods and business practices abroad, we see rather a centrality of finance in the company's global engagement. As capital moves out of production through spatial and temporal fixes, COFCO's international expansion progressively relies on financial leverage and speculative

mechanisms from foreign markets. It allocates surplus capital for profitable realization not only by controlling global production and supply but by transforming those into financial gain.

For instance, with a growing global presence, COFCO's offshore firms established instruments to raise funds at open capital markets, taking advantage of financial deregulation out of mainland China to expand its bases of accumulation. For instance, the Hong Kong-based China Agri, COFCO's most important subsidiary, recently committed "to developing new external funding channels, strengthening fund-raising capability and ensuring liquidity of funding" ('China Agri Annual Report' 2017). As a result, COFCO issued an increasing amount of corporate bonds either through China Agri or through intermediary financial holdings, such as Joy City Holding and Prosperous Ray Limited. By the end of 2019, COFCO's payable bonds accounted for US\$ 2.25 billion (Li and Yang 2020, 25).¹⁹⁷

In addition, COFCO avoided taxation, attracted international financiers, and operated capital market investments as its offshore firms further expanded. In September 2014, the company established COFCO International Limited (henceforth CIL), a multinational investment platform *responsible for the* first-round acquisition of Noble Agri and Nidera (Noble Group 2016, 14). *CIL* incorporated in the tax haven the Cayman Islands and built an internationalised profile, headquartered in Geneva. Its *main shareholder is one of COFCO's many intermediary financial holdings, Rosy Wisdom Limited, with 60 per cent shares, followed by an international consortium led by the* operative arm of Goldman Sachs in China, the private equity firm HOPU Agri International, with 19 per cent shares (Thukral and Flaherty 2014).¹⁹⁸ The consortium assembled a wide range of foreign investors, including the International Finance Corporation (IFC), affiliated to the World Bank Group, with 9 per cent shares, an indirect subsidiary of the Singaporean state investor Temasek, with 9 per cent shares, and a Mauritius subsidiary of the London-based Standard Chartered, with 3 per cent shares (Noble Group 2014). Thereby, CIL built a global finance outlet, enabling COFCO to compete in raising capital worldwide. As COFCO's Chairman Ning Gaoning (2004-2016) said at the Financial Times Commodities Global Summit in 2015,

It could be too early to say. But when I say it [COFCO International] is not going to be a pure Chinese company, it's going to be a global company. This company should be governed, or should be managed, or owned by, let's say, global standards (...) we

¹⁹⁷ Currency converted by the author based on 2022 rate (1RMB = 0,15 US\$).

¹⁹⁸ Hopu had previously participated in a partnership with COFCO to acquire China's leading dairy producer Mengniu in 2008 (Oliveira 2017, 320).

do what other [Western] people do: we are financed by bank syndicates (...) either in Hong Kong or other countries. (FT Commodities Global Summit, 2015)¹⁹⁹

CIL took charge of COFCO's primary offshore operations, becoming the company's conduit for integrating into global finance. In addition to introducing a variety of leverage mechanisms, CIL abided by shareholder values from open capital markets. To this end, the company received support and guidance from the recently founded COFCO Agricultural Industrial Investment Fund Management Co. (henceforth CAIFM) and COFCO Capital (Hong Kong). Similar to CIL, these two investment subsidiaries assemble a wide range of investors with global financial portfolios. For instance, CAIFM's main shareholder is COFCO Trust, with 50.02 per cent shares, followed by the European giant agribusiness Louis Dreyfus, the Japanese private equity fund Ant Capital, and the China Construction Bank, with 16.6 per cent shares combined (COFCO Capital, n.d.). Moreover, to supervise state ownership and state investment, CIL created its own asset management body in March 2018, expecting to list the company on the stock exchange market soon (Almeida et al. 2021; Trompiz and Saul 2018). As the then chairman of CIL, Chi Jingtao, said in the 2019 Financial Times Commodities Global Summit, "the reason why they [foreign investors] make investment in COFCO International [is that] they also expect good financial returns. So, in the future, going public, IPO, is a very good way for us to achieve good financial returns to our investors" (FT Commodities Global Summit, 2019).

COFCO's transnationalised state bourgeoisie expands its bases of accumulation not only by growing through capital investment and leverage mechanisms but also by developing finance-driven operation and management methods overseas. Regarding management, COFCO maintained Noble and Nidera's front officers, taking full advantage of their agribusiness expertise in South America (Wesz Jr., Escher, and Fares 2021). It also hired staff from foreign TNCs, such as the former head of ADM's Global Oilseeds business Matt Jansen – assigned as the new CEO of Noble Agri – and Paul Bateson, a senior executive of Bunge – assigned as CIL's global head of grains (Comunicaffe International, 2015; Trompiz and Saul, 2018). In addition to them, COFCO appointed Pierre Lorinet, the former chief financial officer of the Singaporean-based trader Trafigura, and Serge Schoen, Louis Dreyfus' chief executive, to CIL's board of directors (Saul, Trompiz, and Gu 2018). As for operation, COFCO mimics foreign TNCs by controlling land and productive resources through capital-intensive access

¹⁹⁹ Translated by the author.

mechanisms – not necessarily dependent on land tenure rights. For instance, it offers fertilisers imported from China, seeds, and agrochemicals (mainly from Nidera Seeds and Syngenta, owned by ChemChina) to Brazilian farmers in exchange for direct supply access. COFCO also provides infrastructure and financial assistance, intensifying relations of debt and dependency throughout the value chain (B. M. McKay 2018; Giraud 2019).

In the sphere of circulation, COFCO obtained increasing financial gains through trade speculation. As a leading player in China’s derivatives market, COFCO expanded its futures hedging in global transactions, from which it could gamble over price fluctuations to the detriment of Chinese soybean processors. In 2016, the company established the COFCO Shenzhen Trading Services, which alongside COFCO Capital (Hong Kong), acts as asset management and investment platform for cross-border trade (COFCO Capital, n.d.). The two companies assisted the recently created COFCO Futures International to boost its global pricing power, transforming futures hedging into a growing source of profits over productive activities – similar to financialised foreign TNCs (Sinapi and Gagne 2016). As a result, from 2015 to 2020, COFCO’s futures margin (brokers’ deposit for future transactions) soared, while the company’s income from food manufacturing and sales plummeted (Table 17). As COFCO’s General Manager Yu Xubo (2016-2020) described to the COFCO Qidefeng online platform,

now, the development of the futures market is in full swing, and a brand-new external window for the futures industry is opening. Standing at the starting point of the new era, as a witness to this journey, I hope that through the arduous futures market, I will shoulder new missions and dreams. (X. Yu 2020)²⁰⁰

Table 17: COFCO’s financial indicators

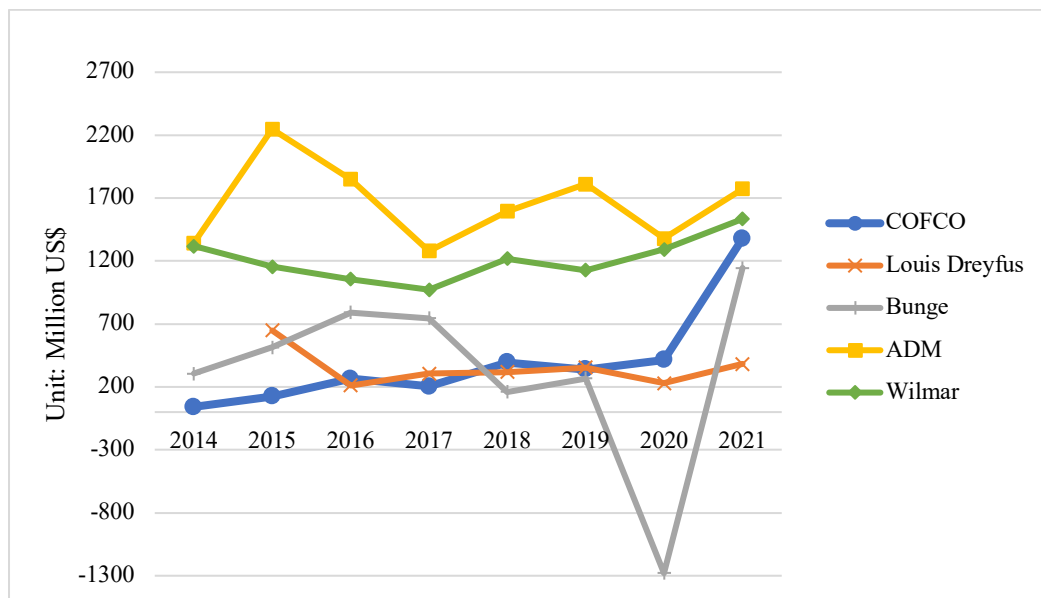
Unit: Billion RMB	2015	2016	2017	2018	2019
Futures Margin	2.87	3.14	4.05	4.93	6.02
Food manufacturing and sales income	39.99	36.65	38.45	25.41	25.75

Source: China Lianhe Credit Rating reports (Li and Yang 2020; 2019; 2018; Liu and Li 2017; Xu and Liu 2016). Data compiled by the author.

²⁰⁰ Translated by the author from the original “而如今期货市场的发展也如火如荼, 一个崭新的期货行业对外窗口正在开启. 站在新时代的起点, 作为这一历程的见证者, 我希望历经艰辛的期货市场, 肩负起新的使命与梦想, 栉风沐雨, 砥砺前行”.

Moreover, in 2018, CIL joined the ABCD (ADM, Bunge, Cargill, and Louis Dreyfus) initiative to create Covantis, an agribusiness blockchain consortium for commodity trade (Morris 2019).²⁰¹ Like other blockchain technologies, the Covantis peer-to-peer payment system facilitates global value transfers and speculation over currency and price swings in crypto markets, reinforcing COFCO's finance-driven accumulation. On the back of global price fluctuation and volatile agricultural markets, CIL's profits surged to approximately US\$350 million in 2020 (Almeida et al. 2021). Likewise, since 2014, COFCO Group has increased its overall profits steadily, reaching levels comparable to other agribusiness transnationals, particularly in 2021 (Figure 57).

Figure 57: Profit evolution (2014-2021)



Source: Fortune (n.d.), data compiled by the author.

7.5. More State, Less Neomercantilism

As seen in the previous sections, the success of COFCO's expansion strategy relies less on the reordering of world trade fluxes, as the literature on food regimes would assume, and more on its capacity to articulate and take advantage of financial capital worldwide. One could argue, though, that state planning and state ownership – the backbone of COFCO's global

²⁰¹ Covantis began to operate soybean and corn shipments through digital currency in 2020 (Thompson 2021).

engagement – are intrinsically contrary to the financialisation and neoliberal supremacy in global agribusiness. However, just as the state places itself as a hidden mainstay and architect of private interests in the world’s traditional capitalist core (Vogel 2020), it backs China’s finance-driven and transnationalised accumulation in China. Therefore, it complies with party-defined boundaries of political behaviour – for the sake of the state/party legitimacy (Pearson, Rithmire, and Tsai 2020, 32) – while forging forms of accumulation organically integrated with global finance.

Accordingly, the shareholding state’s financialisation of economic management in China propelled an increasing parcel of the Chinese officiality to stand with COFCO’s never-ending pursuit of financial speculation and leverage overseas. For example, during the Xi Jinping administration, China’s Ministry of Commerce (MOFCOM) became a vocal advocator of international financing methods, placing its concerns beyond trade. As MOFCOM’s 2016 Report on Development of China’s Outward Investment and Economic Cooperation shows:

For a long time, the financing channels of Chinese companies’ cross-border mergers and acquisitions have been relatively narrow, and the financing methods were restricted. They relied too much on their own funds and domestic bank loans. This has brought constraints to mergers and acquisitions, and the business risks of companies have also increased. In order to reduce risks, Chinese companies have begun to use various financing methods, using both domestic and foreign financing channels, drawing on the experience of developed countries. (...) Generally speaking, the financing methods used the most are debt financing, equity financing or a combination of comprehensive methods. (MOFCOM 2016, 190)²⁰²

Given its centrality to China’s global agribusiness engagement, COFCO’s transnationalised state bourgeoisie represents an expansive feature of the shareholding state in the world. Throughout its integration into circuits of food production and finance worldwide, COFCO has relied on state power to attract, acquire, and assemble global financial capital according to shareholder values. For instance, after the 2008 world economic crisis, central and provincial governments took advantage of declining asset prices to boost foreign mergers and acquisitions (Ni 2014).²⁰³ To this end, the central government provided ample financial support

²⁰² Translated by the author from the original “长期以来, 中国企业跨国并购的融资渠道相对狭窄、融资方式单一, 过多依赖企业自有资金或国内银行贷款, 给并购带来掣肘的同时, 企业的经营风险也不断增加. 为降低风险, 中国企业开始使用各种融资手段, 利用国内国外多种融资渠道, 借鉴发达国家经验 (...) 一般 来说, 主要采用债务融资、权益融资或相结合的综合方式”.

²⁰³ With Western media’s exaggerated land grab accusations against Chinese enterprises and the state-led flaws to invest overseas, mergers and acquisitions became, even more, a preferable option for

for COFCO's renewed going out attempt. As a senior executive of COFCO in Brazil said, in an interview with Escher, Wilkinson, and Pereira (2018, 311), "Chinese money will not be lacking for our expansion".²⁰⁴

Therefore, COFCO uses rent-seeking strategies, as it benefits from politically achieved property relations through its access to the state to appropriate wealth – combined with other accumulation strategies. For instance, state agencies used their monopoly or semi-monopoly rights to provide COFCO strategic guidance for foreign mergers and acquisitions, allowing the company to become more attractive in the financial market. China Investment Corporation (CIC), the country's sovereign wealth fund that bought 14.9 per cent of Noble's shares in 2009 (Chapter 6), subsequently helped COFCO acquire Noble Agri. CIC provided privileged information through Noble's board of executives occupied by SASAC's Chairman Li Rongrong (李荣融 in Chinese) on its behalf (Oliveira 2017, 319; Sender 2012). In 2014, during the first round of acquisition, COFCO probably knew from CIC that the US\$1.5 billion it paid for 51 per cent of Noble Agri's shares was overvalued, so that Viva Trade Investments, a COFCO's financial holding incorporated in the British Virgin Islands, and COFCO Hong Kong could jointly acquire the remaining 49 per cent of Noble's stakes for only half of the price of its first order (US\$750 million) (Oliveira 2017, 320; Williams 2015).²⁰⁵ CIC's favouritism became even more evident when it replaced Li Rongrong with COFCO's General Manager Yu Xubo (2016-2020) as a non-executive director of Noble Group in June 2015.

Therefore, the state can be understood as a crucial tool for the transnationalised state bourgeoisie to achieve its class interests at home and abroad also through rentier strategies of accumulation. Instead of contrasting with agricultural financialisation, state intervention appears useful for COFCO to reign over global value chains. We can draw a parallel with the reformulation of the state-capital nexus worldwide, which according to Apeldoorn et al. (2012), has triggered "the contradictory manifestation of a 'return of the state' on the one hand, and a continued deepening of the process of capitalist transnationalization and globalization on the other" (Apeldoorn, Graaff, and Overbeek 2012, 482). Similarly, the recent expansion of financial capital in China accompanied the strengthening of the state apparatus during the Xi

COFCO to take control over the "whole supply chain" without calling much public attention (Gooch and Gale 2018, 37; Oliveira 2017).

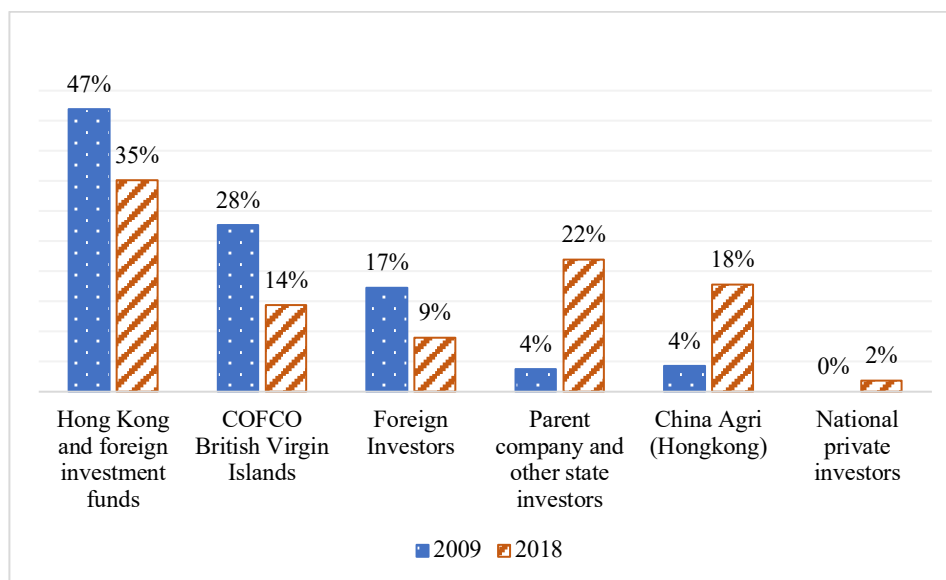
²⁰⁴ This information was confirmed by the author in informal meetings with COFCO's executives.

²⁰⁵ This was confirmed with the exposure of Noble's accounting frauds and financial manipulations that forced the company to go through restructuring in the following years.

Jinping era, which guarantees the growth of China’s transnationalised state bourgeoisie as a competitor of other transnational fractions of capital based in the West.

State planning and state ownership allow COFCO to insert itself into global finance in favourable terms – corresponding to China’s recent attempts to internationalise its currency and strengthen its financial power autonomously from the U.S. dollar. To this end, the government encourages ownership diversification and internationalisation of Chinese SOEs while reassuring state control over their going out process (China State Council 2015). Thereby, as Pan et al. (2020) argue, the state uses “government capital” to attract and raise funds from private capital. Following the SASAC’s guidelines, COFCO 2016’s 13th Five-Year Plan set a radically liberal tone while assuring the preservation of state-ownership of its core businesses – including non-tradable shares of listed enterprises – and imposing the party’s dominant influence over COFCO’s decision-making (SASAC 2016). As an illustration of the strong state/party presence, COFCO’s ownership structure of its soybean processing assets in China became less dependent on offshore/foreign capital from 2009 to 2018 (Figure 58) – which is partially related to the disciplinary effects of state protectionism after the battle of the beans (Chapter 5). Even so, COFCO maintains its intrinsically transnationalised constitution, with an ownership structure drastically different from other domestic rivals (Figure 52).

Figure 58: Ownership Share of COFCO's Soybean Crushing Capacity



Source: Qichacha [Enterprise Investigation] (n.d.) and Sublime China Information Database (n.d.). Data compiled by the author.²⁰⁶

²⁰⁶ Regarding COFCO’s ownership structure in 2009, the author took into consideration the following crushing facilities: COFCO Riqing (Dalian) Co., COFCO East Ocean Grains and Oils Industries (Zhangjiagang) Co., COFCO Yellow Sea Grains and Oils Industry (Shandong) Co., COFCO Xinsha

In short, COFCO's expansion trajectory since Xi Jinping took office reproduces the accumulation dynamics and political nexus of China's shareholding state at the global level. The company takes advantage of global financial markets to grow at home and abroad, contributing to the progressive liberalisation of China's capital account. To assure its economic success, COFCO relies heavily on state support. While the state/party supervises and disciplines China's financial deregulation, it consolidates globally competitive conglomerates in line with shareholder interests. Therefore, China's dominant going out strategies embodied by COFCO's transnationalised state bourgeoisie seek prominence within global finance instead of alternatively creating a public-spirited accumulation dynamic as the literature around neomercantilism suggests.

7.6. Conclusion

By analysing COFCO's engagement with the global soybean commodity chain, this chapter indicated that the transnationalised state bourgeoisie follows a cohesive accumulation dynamic at home and abroad, moving away from productive capital related to soybean processing through financial operations and outbound investments. To this end, neomercantilist strategies have played a marginal role. If focusing on the sphere of circulation of capital, COFCO's globalised constitution corroborates the idea of food regime transitioning, through which China reorders (and adapts to) the neoliberal agribusiness model towards a more territorialised constituency. This argument is still at the core of neomercantilism narratives if we assume that the domestic demand serves as a trampoline for China to grow and go abroad, allowing the continuation of a strategic display of national protectionism and food security policies. However, this chapter showed that China's engagement with global agribusiness centres less on commercial capital and more on finance.

Accordingly, increasing debt financing and processing overcapacity have propelled the spread of financial institutions, following the surplus capital search for spatial and temporal

Grains and Oils Industry (Dongguan) Co., COFCO Oils (Qinzhou) Co., Cofco ADM Grains and Oils Industry (Heze) Co., COFCO Xiangrui Cereal and Oil Industry (Jingmen) Co., COFCO Excel Joy (TianJin) Co. As for 2018, the author took into consideration all the former crushing facilities, plus COFCO Grains and Oils Industry (Huanggang) Co., COFCO Grains and Oils Industry (Jingzhou) Co., COFCO Grains and Oils Industry (Chaohu) Co., as well as Chinatex's and Noble Agri's crushing transferred to COFCO.

fixes. COFCO diversified its ownership structure and replicated finance-driven operation and management methods from agribusiness transnationals in South America. It raised funds through stock issuing and corporate bonds and took advantage of open capital markets abroad to attract and “assemble” foreign financiers. The company also consolidated price control mechanisms through futures hedging in the derivatives market at home and abroad, benefiting from global price fluctuations through speculation over soybean trade transactions.

Moreover, by examining state-capital relations in the soybean downstream complex, this chapter indicated that agribusiness financialisation is not an innate and “depoliticised” aspect of the Chinese economy. Instead, it entails institutional changes in line with Wang’s (2015) concept of a shareholding state. Amidst increasing flows of interest-bearing capital through public spending, state intervention progressively shifted its nature towards supervising assets according to shareholder values, propelling the financialisation of its economic management. In the soybean downstream complex, state preference toward finance-driven accumulation strategies carried by the transnationalised state bourgeoisie became particularly evident during the Xi Jinping administration. While the state-led bourgeoisie and the national private bourgeoisie faced a political backlash, COFCO gained unique prestige. The company’s international expansion reflects a global dimension of the shareholding state as it competes with transnational agribusiness to obtain funds and maximise holdings in open capital markets overseas. Therefore, COFCO reveals itself as the backbone of China’s integration into global finance in the soybean commodity chain instead of antagonising it, as neomercantilism narratives would suggest.

The success of COFCO’s global expansion and its dominant position within the state will depend on its ability to effectively integrate into financial markets in a favourable way. In this regard, geopolitics and international relations play a fundamental role. Recent disputes with the United States – the world’s second largest soybean exporter – the instability of world food provision during the Covid-19 pandemic, and the war in Ukraine may obstruct COFCO’s capacity to attract foreign financiers and raise funds from equity markets. Some of its effects have already been felt: For example, contrary to its intentions for a company-wide IPO, China Agri, the subsidiary ahead of COFCO’s soybean processing operations in China, withdrew from the Hong Kong Stock Exchange in 2019 amidst trade tensions with the Trump administration. Most importantly, the continuing prominence of the transnationalised state bourgeoisie will depend on the vicissitudes of inter-capitalist disputes in the Chinese soybean downstream complex. The domestic power struggle from the perspective of Chinese

international expansion opens a new research agenda that will be analysed in the following chapter.

Chapter 8: The Dynamics of Neoliberal Transition under the Hegemony of the Transnationalised State Bourgeoisie

8.1. Introduction

From the first years of the reform and opening-up until now, both mainstream and critical scholars have turned their attention to how the Chinese economy integrates globally. Firstly, vast literature focused on foreign investments in China's special economic zones and liberalised market segments, analysing their role in the domestic political and social transformations. In turn, in recent years, as Chinese enterprises go global, more and more scholars shifted their attention to the various outbound investment strategies and their impact on the world economy. Previous chapters have substantially engaged with these two scholarship trends when analysing the historical changes of the soybean downstream complex. However, China's latest phase of global integration opens new research questions that are still not properly addressed by the existing literature. For instance, as Chinese enterprises become major global players, how do they contribute to economic and political changes in the domestic sphere? From the perspective of inter-capitalist relations and state analysis, how do China's agricultural outbound investments influence state institutions and alter the capitalist class power at home?

As described in Chapter 7, COFCO's sourcing strategy in Latin America and its integration into global circuits of food production and consumption has allowed it to make larger profits from financial mechanisms of trade speculation and investments in capital markets. The way the transnationalised state bourgeoisie expanded its bases of accumulation abroad would not have been possible within China's relatively closed financial markets. Hence, one could presume that its expansion can fit well in the global neoliberal model without affecting China's "statist" economic development. Such a multifaceted economic expansion would preserve intact contradictory types of capitalism between China and the West, often portrayed by the literature on the Varieties of Capitalism (McNally 2019). This perception is endorsed by China's recent clamp down on private capitalists linked to Wall Street and the Chinese Communist Party (CCP) statements against increasing economic disparities, which suggest that the Xi Jinping administration solidifies a public-spirited alternative to

financialization and Western-dominated neoliberalism (The Economist 2020; Zhai and Xie 2021).

However, this chapter indicates that the nature of China's domestic capitalism does not remain immune from COFCO's finance-driven accumulation abroad. Instead, as the company integrates into global finance, it pressures segments of the state to liberalise trade and finance in order to expand import markets and speculate over price variations.

To understand the connections between China's going abroad and domestic inter-capitalist relations, I bring back the concept of unequal and combined development presented in Chapter 1 and further develop it by drawing on Bryan's (1987) analysis on the state and international relations. Bryan sets up a historical debate comprising capitalist class fractioning and the internationalisation of capital. Inspired by Nicos Poulantzas (1978; 1976; 1975), he sees the nation-state as a social expression of class contradictions, which can aggravate as capital expands through new forms of accumulation abroad. As it reviews Bryan's analysis, the following section engages with the current literature on China's neoliberal transitioning. It assesses So's and Chu's (2012) and Weber's (2020, 2018) study on the state's role in China's integration into global neoliberalism. The three scholars focus on the contradictory social and political implications of the *reform and opening-up*, which have promoted neoliberal-looking reforms and, at the same time, preserved the decisive state intervention as a corrective mechanism against full-blown economic liberalisation. In their view, China presents a peculiar case of ongoing neoliberal transition. Roughly speaking, its paradoxical nature makes the country's capitalist model not neoliberal, though with neoliberal characteristics.

Taking Bryan's study into account, I argue that such a paradoxical character relates to the complex nature of the Chinese state, which in the soybean downstream complex encompasses inter-capitalist disputes under the hegemonic influence of COFCO's transnationalised state bourgeoisie. As I contend, COFCO's global prominence propels neoliberal-looking reforms towards further trade and financial liberalisation in the domestic market. It follows the progressive deregulation of the domestic soybean futures market and the opening of domestic agriculture to foreign investments. However, given the intensive inter-capitalist rivalry in the sector, those reforms are met by the adaptation and reaction of competing fractions of capital, producing contingent and ultimately mutable class compromises and political rearrangements. As I will show with the case of a controversy around GM soybean, state-led capitalists were able to preserve the government protection over domestic soybean production through political and financial support. Therefore, this case study

demonstrates how China's neoliberal political paradigm is characterised according to power struggles within the state.

This case study also demonstrates that China's neoliberal shift involves constant disputes over the spatial distribution of capital. While Chinese transnationalised capital integrates into global neoliberalism, its class compromises with other fractions of the bourgeoisie at home might involve concessions towards a more nationalist-oriented economic arrangement. In the case of China's soybean downstream complex, as state-led companies like Jiusan and Sinograin operate primarily on the domestic level, class compromises involving this fraction of the bourgeoisie and related state segments entail boosting the centrality of the domestic market in the global soybean commodity chain, such as agricultural modernisation and state measures to avoid import dependency. Therefore, as COFCO's transnationalised state bourgeoisie pushes forward trade and financial liberalisation, it incorporates part of the state-led political agenda, promoting a nationalist discourse on food security. The new state incentives for domestic soybean production in the North-eastern Heilongjiang province that I explore in section 8.5 are illustrations of further class compromises which have moved the centre of economic gravity towards China.

Section 8.3 of this chapter analyse in detail the particularities of China's neoliberal transition in the soybean downstream complex from the class perspective presented above. I start by exploring the domestic effects of COFCO's global prominence, describing how the transnationalised state bourgeoisie influenced state institutions to liberalise trade and finance. As will be shown, its lobby for trade speculation contributed to the end of the target price-based direct subsidies, allowing the voluntary formation of soybean selling prices. It also propelled renewed state incentives for futures hedging on domestic commodity exchanges.

In turn, Section 8.4 describes how the national private bourgeoisie and state-led bourgeoisie lost economic centrality in the soybean downstream complex. While the former class fraction became even politically and economically irrelevant, with many related enterprises going under bankruptcy, the latter was pushed to adjust its accumulation strategy. The state-led Sinograin temporarily assigned COFCO's senior executives to its management team and, alongside Jiusan, promoted internal corporate reforms. They detached their business operations from the provision of public services and social care, tilting towards full-blown profit-oriented operations. I also point out emerging contradictions within China's capitalism following Bryan's theoretical approach. Accordingly, having adopted a profit-oriented business outlet, state-led enterprises could venture into the derivatives market and develop trade speculation mechanisms. However, given their partial reliance on domestic supply,

Sinograin and Jiusan attempted to maintain the geographic control of soybean production and consumption at home. Their reaction provoked a renewed dispute over China's policy on Genetically Modified (GM) soybean, with state-led capitalists promoting the banning of GM soybean to protect soybean plantations in the Heilongjiang Province, while central state institutions (in line with COFCO's interests) pushed for GM soybean liberalisation.

Finally, section 8.5 indicates the emergence of a new political arrangement responding to these developments in the internal capitalist contradictions in the soybean downstream complex. Trying to balance the different class fraction agendas within the Chinese-based capitalists, state segments close to the transnationalised state bourgeoisie supported the scaling-up of soybean production in Heilongjiang and encouraged the diversification of global soybean supply. Meanwhile, state segments close to the state-led bourgeoisie complied with a financial liberalisation push of the central government. Such a political compromise appeared as an alternative to North Atlantic-based transnational interests. It consolidated amidst trade disputes between the US and China during the Trump administration and continuing geopolitical rivalries, replicating at the domestic level COFCO's way of attracting and "assembling" foreign financiers (Chapter 7). Therefore, the new power bloc has moved the transnational capital's gravitational centre to China by encouraging foreign investments in domestic agribusiness – through the Foreign Investment Law (approved in 2019) – while undermining foreign monopolies with food security discourses. It has also strengthened the pricing power of Chinese agribusiness centred on the Dalian Commodity Exchange (DCE) as an alternative to the Chicago Board of Trade.

8.2. What is China's Neoliberal Transition About?

Part of the critical literature on neoliberal transition in China assumes that the country has adapted economically to global capitalism by embracing market-enhancing reforms. This included the liberalisation of labour markets, the constant reduction of capital controls, the decreasing corporate taxes and enterprises' social insurance contributions, and the erosion or collapse of social protection and provision during the 1990s, which created an informal working class and rising income inequalities. For So and Chu (2010; 2012), the CCP's control of this process inhibited the neoliberal excesses because it allowed to respond to the social discontent of the mid-1990s against liberalisation. By keeping a strong state intervention, China has inaugurated a unique version of neoliberalism in which the party/state made itself the most important proponent and beneficiary of neoliberal-looking reforms. Weber (2020; 2018) has a

similar understanding of China's reform and opening-up, though she draws a more nuanced conclusion. She considers the association between global neoliberal integration and the deployment of a developmentalist agenda as a paradox in which China turns neoliberal while providing an alternative to it:

Departing from the Maoist emphasis on local self-sufficiency, the reformers have reintegrated China's vast resources into the global division of labor and have thereby integrated China into neoliberal globalization. But this integration is based on the premise of being controllable and controlled by the Chinese state and the CCP. (Weber 2020, 8)²⁰⁷

This debate resembles part of the literature on Chinese studies revised in Chapter 1, which is built on (although in a not declared way) a state-marked dichotomy, where political institutions have their own *modus operandi* hovering above economic interests. As capital accumulation would not integrally affect the nature of the state in China, its global economic integration would be tamed by a “non-corruptive” political body, preventing a neoliberal shift in China. Therefore, without a deeper analysis on the contradictions within the Chinese state, So's and Chu's (2012) and Weber's (2020, 2018) assumptions are generally restricted to social and macroeconomic indicators. Their ways of measuring neoliberalism rely on the extent to which the economy has or has not been privatised, and social policies have or have not been maintained or re-created.

In line with Peck's argument, I contend that if there is any “original sin” of neoliberalism in China, this should be measured by the evolving state-capital relations rather than their social outcomes. Hence, China's neoliberal transition goes through uneven and combined development, mixing different stages of development through contradictory interactions with the world economy (Chapter 1). China's late industrialisation incurs profound class ramifications as its capitalist class fractions integrate globally in different ways (Rolf 2021; Peck 2021). Amidst such social and economic heterogeneity, neoliberalism is driven by the capacity of certain fractions of the bourgeoisie to assert their class power through a hegemonic political project, which Harvey (2005) takes as the core element of world capitalism transformations since the 1970s. From this perspective, the state is not a unifying force against or in favour of neoliberalism, as the literature above contends. Instead, it entails internal

²⁰⁷ Belesky and Lawrence's (2019) have a similar approach when analysing China's multifaceted insertion into the current food regime, as seen in chapter 8.

capitalist class disputes, in which outcomes change according to historical economic and political transformations as nation-states integrate into global capitalism.

Similar studies lend support to this argument by highlighting the centrality of power struggle within the state during China's most recent process of economic opening up. Shih (2008) points out sharp divisions within the bureaucracy, which he identifies as driven by two main segments: Senior party officials called generalists and the party "economic technocrats". They emerged from different personal networking paths and have competed over more or less liberalised financial and monetary policies. From a Marxist perspective, Nogueira and Qi (2018) point out that such disputes have followed distinct capitalist agendas to amplify their political influence while integrating into the global capitalist economy. In Nogueira's and Qi's words, "the fractioning of the capitalist class, rapidly accelerated by financial expansion and the intensification of its attempts at relations with foreign capital, generated new pressures on the state" (Nogueira and Qi 2018, 20). In the same way, the prominent critical scholar Wang Hui contests that the primary manifestation of neoliberal reordering in the Chinese context refers to the benefits that specific segments of the society have acquired through the "process of the creation of interest groups within the state structure" (H. Wang 2006, 59).

As COFCO's finance-driven expansion follows accumulation strategies similar to North Atlantic-based agribusiness TNCs, its influence at home through relations with state institutions may help analyse neoliberal transition in China. In other words, given COFCO's position in the global economy, neoliberal-looking reforms in the soybean downstream complex rely on its capacity to expand its bases of accumulation domestically. Its global prominence could boost the political influence of the transnationalised state bourgeoisie and change inter-capitalist relations within China. As capital takes different strategies to reassert its class power and create political hegemony, such inter-capitalist transformations would pave the way for a neoliberal political paradigm in the sector.

To analyse this process, I take into consideration Bryan's (1987) study on capital-state relations within international processes of accumulation. According to Bryan, nation-states incorporate the contradictions of the international expansion of capital, given that they are the primary unit through which classes organise themselves politically. While economic processes have become increasingly globalised, states continue to encompass essential social expressions of class relations within their national boundaries. Therefore, instead of expanding internationally in a free movement, capital neither suppresses nor by-passes territorial-based state political apparatuses.

Bryan notices, though, that as individual capitals have different ways of integrating into the global economy, state-capital relations at home gain a new level of complexity. Inspired by the Poulantzian state theory, he points out that the state mediates inter-capitalist contradictions extended internationally. It influences how capitalist class fractions participate in going out strategies through regulatory measures and policies. And as the main locus of political struggles, by doing so, “the state itself comes to express those contradictions” (Bryan 1987, 253). From this perspective, internationalised capital sets a dialect dynamic, expanding through socio-spatial provisions outside specific national jurisprudences while influencing and being influenced by policies and forms of political operation at home (see also Jessop 2016).

As for China's soybean downstream complex, the following sections demonstrate that COFCO's internationalisation impacts inter-capitalist relations and aggravate class contradictions in the sector. Considering the renewed disputes within fractions of the bourgeoisie and eventual class collisions, we notice that the neoliberal shift assumes varied characteristics. Instead of resulting from the state distance from economic interests, as part of the literature would suggest, those varied characteristics relate to the internal contradictions of Chinese capitalism as it integrates into the global economy.

8.3. The Domestic Impact of Transnationalised Capital

As COFCO's soybean exports from Latin America supply destined to diversified markets worldwide, one could assume that it does not increase China's import competition and puts marginal pressure on domestic agriculture. However, when analysing the recent evolution of China's food security governance, Zhang (2018) notices that the international expansion of COFCO and other Chinese SOEs influence domestic state institutions to move away from agricultural self-sufficiency (Hongzhou Zhang 2018, 43). According to him, with China's promotion of outbound investments during the Xi Jinping administration, SOEs' executives and related state officials started advocating the import liberalisation of feed-crops to increase their sales at the domestic market. As COFCO's Chairman Ning Gaoning stated during China Development Forum in 2015, “the only solution to global food security is free trade” (H. Li 2015; cited in Hongzhou Zhang 2018, 48).²⁰⁸ COFCO's prominence in the global soybean commodity chain increased the bargaining power of its executives and related officials within

²⁰⁸ Translated by the author from the original “全球的粮食安全解决的唯一方法就是自由贸易。”

the state. As Ning Gaoning's confident speech during the 2015 Financial Times Commodities Global Summit illustrates:

If we can consolidate to be one global company (...) it can play a role to demonstrate to the Chinese market [that] this is a company that can really supply you or can more efficiently deliver things from other countries to you... I think they support it. They are really looking forward to this. (Financial Times Live 2015 min 27:34-28:12)

As a result, COFCO's liberalisation endeavour coincided with a pro-trade political inclination of the Chinese central government. For instance, since 2016, the State Council's white paper emphasised for several consecutive years the creation of a suitable environment for international trade of agricultural products with the higher promotion of imports and exports while optimising the domestic supply structure (MARA, n.d.).

As COFCO's commodity trade operated mainly through futures contracts and other price speculative mechanisms, the opening trade markets came hand in hand with efforts to deregulate finance. Growing imports allowed COFCO to further prospect new operations in the domestic derivatives market. As one can imagine, such economic interests coincided with a proactive political agenda taken by COFCO's transnationalised state bourgeoisie during the Xi Jinping administration. The speech made by COFCO's General Manager Yu Xubo (2016-2020) in the Canada-China Business Council's (CCBC) Annual General Meeting and Policy Conference in 2013 illustrates its view on China's reform and opening-up. For him, both trade and financial liberalisation are tempting outcomes of global integration:

Talking about 'free trade zones', I think that [there] is a very big potential for the open-door policy because the open-door policy in the first stage was more about opening factories. (...) I think the stage right now is coming more to the financial sector, to the logistic sector, more to the high level of the economy, and banking and insurance. I believe there is much more room to go. That is the new [Xi Jinping] government pushing the new areas to take more potential of the Chinese economy. So, I think that is quite important because [the] Chinese economy right now is still in the transition period. (X. Yu 2013 min. 12:38 - 13:27)

Notably, the transnationalised state bourgeoisie's pro-finance lobbying had a clear influence on Chinese policymaking in the soybean downstream complex. For instance, as the State Administration of Grain (SAG) stated in the 13th Five-Year Plan for Oilseeds Processing in 2016,²⁰⁹ related state institutions should

²⁰⁹ SAG is the predecessor of the State Administration of Grain and Reserves (SAGR), a vice-ministerial agency under the National Development and Reform Commission (NDRC) administration.

actively expand enterprise’s direct financing channels, support enterprises to raise funds through the issuance of short-term financing bonds and other non-financial enterprise debt financing tools and support leading enterprises to go public and to issue corporate bonds. Guide oilseed processing enterprises to participate in the futures market and to improve their risk management. Encourage insurance institutions to support oilseed processing enterprises in carrying out foreign trade and in internationalising insurance services. (SAG 2016, 25–26)

In line with SAG’s guidelines, China’s Ministry of Agriculture and Rural Affairs (MARA) showed some inclination to opening domestic trade markets, which can pave the way for further price speculation. In 2014, it abolished the “target price-based direct subsidy” for soybean farming in North-east China and Inner Mongolia after six consecutive years in effect, replacing it with direct subsidies (USDA 2017). Therefore, the government allowed the voluntary formation of soybean selling prices according to market principles (Z. Zhang 2016, 180). Amidst increasing global competition, price deregulation favoured soybean importers, as it pushed down soybean prices, which along with rising costs of agricultural inputs, reduced domestic soybean profits (Table 18).

Table 18: China's soybean production indicatives

Unit: Yuan/50kg	2012	2013	2014	2015	2016	2017	Percentual change in six years
Average selling price	236.39	234.36	219.41	198.12	190.2	188.26	-20%
Production costs	127.83	143.98	143.5	147.62	170.24	146.12	14%
Net profit	43.02	11.97	-8.8	-40.74	-85.16	-45.81	-206%

Source: NDRC (table 1-9-1, 2015; table 1-9-1, 2018). Data compile by the author.

China’s changing soybean subsidy policy coincided with progressive deregulation of the domestic derivatives market. In 2014, MARA and the Ministry of Commerce set up options for soybean futures exchanges in Shanghai and, in the following years, launched the ‘insurance + futures’ pilot program, allowing insurance companies and other financial institutions to participate in domestic futures contracts (Pang 2014; Song 2021; F. Yu et al. 2020). The pilot program was included in China’s 2016 No. 1 White Paper, gaining considerable political centrality (*China’s No.1 Central Document*, 2017). Therefore, COFCO’s transnationalised state bourgeoisie had a large room to expand its bases of accumulation in the domestic market.

It increased its price control mechanisms with insurance programs and subjected small farmers to speculative finance through the securitisation of agriculture (S. Guo 2017).²¹⁰

Ultimately, COFCO used its global prominence as leverage for political and economic influence in China. This placed the transnationalised state bourgeoisie in an advantageous position within inter-capitalist disputes in the soybean downstream complex. Economically, the COFCO Futures achieved a leading role in agricultural commodities hedging of soybean, soybean oil, soybean meal, rapeseed meal, and sugar (COFCO Capital, n.d.). By 2020, it performed over 20 per cent of China's agricultural futures exchanges (M. Li and Yang 2020, 22). On the other hand, state-led capitalist rivals lost economic centrality. As the target price-based subsidies were abolished, China's state grain reserves manager Sinograin was no longer in charge of procuring and storing soybean sales (Hongzhou Zhang 2018, 236). Moreover, with supply prices increasingly subjected to financial control mechanisms, the non-financialised Jiusan, from the leading soybean producer Heilongjiang Province, lost competitiveness and had falling sales and revenues between 2013 and 2018 (Table 19). In this scenario, both Sinograin and Jiusan's parent company Beidahuang contracted, whereas COFCO grew exponentially (Figure 59).

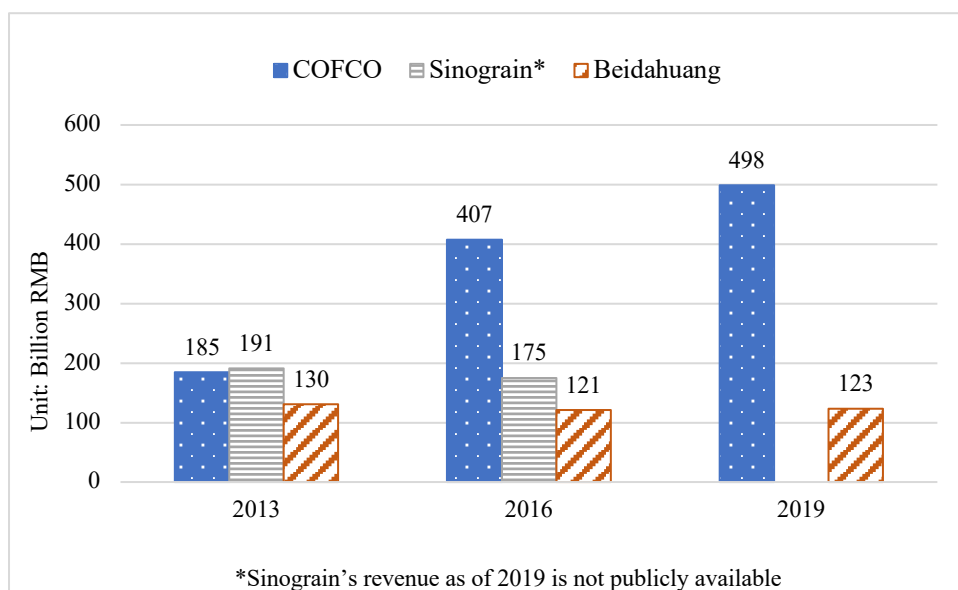
Table 19: Jiusan's soybean meal and soybean oil sales and revenue

	Soybean oil		Soybean meal	
	Sales volume (million tons)	Sales revenue (billion RMB)	Sales volume (million tons)	Sales revenue (billion RMB)
2013	1.46	10.15	6.5	22.78
2014	1.47	8.87	6.25	20.16
2015	1.41	8.1	5.69	14.1
2016	1.53	8.92	5.78	15.23
2017	1.48	8.74	5.5	15
2018	1.4	7.75	5.11	15.04

Source: Z. Liu and Liu (2017); Z. Liu and Yang (2019). Data compiled by the author.

²¹⁰ From 2016 to the beginning of 2021, the pilot initiative was incorporated in three Chinese futures exchanges, launching 584 "insurance + futures" agreements with several crops production in 26 provinces (Song 2021).

Figure 59: Annual revenue of key enterprises



Source: China Lianhe Credit Rating (M. Li and Yang 2020; 2019; X. Liu and Tian 2014; Z. Liu and Fang 2017; Z. Liu and Yang 2019; C. Xu and Huang 2020); China State-owned Assets Supervision and Administration Yearbook (2014); and Sinograin (2019). Data compiled by the author.

Besides the two state-led capitalist players, China's national private bourgeoisie also fell behind during COFCO's expansion. Although Hopefull and Bohai expanded their industrial capacities, their participation in China's soybean meal and soybean oil production decreased, leading to enormous financial losses.²¹¹ In the same way, other large scale private processors came close to bankruptcy. This was the case of Southern Guangzhou Green Oil, Henan Sunshine, Longjiangfu, Linyi Shengquan, all of which have sold out or leased a considerable part of their processing assets (Oilcn news 2021).²¹² Overall speaking, the national private bourgeoisie lost economic influence and, consequently, had a reduced capacity to express its class interests within the state.

8.4. The state-led capitalist adaptation and reaction

The state-capital transformations in China's soybean downstream complex can be analysed with Bryan's approach (1987) to the relationship between the state and

²¹¹ Wang, Guoqing (Senior Executive of COFCO Beijing Headquarters), in discussion with the author. Beijing, 28 June 2019.

²¹² Yang, Peng (Editor director of the oilseeds research department of Sublime China Information), in discussion with the author. Hangzhou, 28 March 2019.

internationalised capital: Capital expansion followed a dialectic dynamic, integrating globally while provoking changes in class and power structures domestically. Accordingly, as COFCO's transnationalised state bourgeoisie gained economic and political influence in China, it provoked the ultimate decline of the already irrelevant national private bourgeoisie, and triggered adjustments in the accumulation strategies among other fractions of capital. The rival state-led bourgeoisie moved away from their traditional bases of accumulation, moving towards a finance-driven expansion. Its adaptation attended both to the direct interference of COFCO's executives and related state officials in Sinograin's and Jiusan's internal management and to an independent inclination by those two SOEs to promote corporate reforms. Indeed, COFCO's direct interference came by way of the temporary appointment of the COFCO's senior executives to Sinograin's management team by the State-owned Assets Supervision and Administration (SASAC).

In 2013, Lu Jun, the former head of COFCO's Hong Kong-based subsidiary China Agri and COFCO Futures and former Deputy President of COFCO Group, became Sinograin's new Chairman (Gu and Patton 2018).²¹³ Lu Jun was an influential figure in the party and had enough leverage to promote COFCO's business style.²¹⁴ As soon as he took office, he pushed forward market-led corporate reforms in Sinograin's Oil and Fats segment and made efforts to increase the cooperation between COFCO and Sinograin, prospecting a company-wide merger in March 2016 (Y. Li 2018; Nepstad 2017, 15).²¹⁵ Although the merger has yet to come through, the two companies agreed to set up a joint venture for oilseed crushing and processing under COFCO's management control in early 2022 (Bai and Jia 2022). In 2019, the former head of COFCO International (CIL), Luan Richeng, was appointed as Sinograin's new Chairman (Donley 2019). As described in the previous Chapter, CIL was COFCO's outmost globalized and finance-oriented experiment and served as a multinational platform to acquire Noble and Nidera. Despite the lack of open data about Luan's initiatives in Sinograin, one can presume from his previous management experience that he took a pro-finance stance as the company's chairman.

As for the state-led self-adaptation, Jiusan and Sinograin strayed away from social and political prerogatives as a response to increasing economic pressure. Accordingly, Jiusan's

²¹³ In 2018, he returned to COFCO, replacing Zhao Shuanlian (赵双连 in Chinese) as the Group's new Chairman.

²¹⁴ Lu Jun was nominated as a representative of the 19th National Congress of the Communist Party of China and an alternate member of the 19th Central Committee of the Communist Party of China.

²¹⁵ Zhao, Xin (Senior executive of Sinograin's Tangshan Oils and Fats Company), in discussion with the author. Hangzhou, 29 March 2019.

parent company Beidahuang, as a local SOE administered under the Heilongjiang's Land Reclamation Bureau, was traditionally responsible for local social provision. Since the mid-2010s through, Beidahuang started decoupling from the province's public administration, moving towards a full-blown market-oriented constitution.²¹⁶ To reduce expenses from social coverage, it progressively transferred them, as well as public responsibilities over education and other social services, to the local government administrative functions of civil affairs, industry and commerce (Gao 2018).²¹⁷

With this decoupling, Beidahuang could push agricultural scaling up and financing – in line with Beijing's agricultural modernisation policy – without bearing its social consequences. As Beidahuang's new Chairman after the Xi Jinping's anti-corruption managerial reshuffling, Wang Shoucong stated during Xi's visit to the Heilongjiang Land Reclamation Zone in 2018, “in terms of development, we should follow Xi's advice to develop large [agricultural] bases, large corporations, and large industries” (Jiang et al. 2018).²¹⁸ Moreover, while it built a full-blown corporate outlet, Beidahuang promoted the further diversification of its ownership structure to raise funds associated with private capital. Heilongjiang Agriculture Company, a listed subsidiary responsible for most of the group's soybean production, launched a campaign and organised large events to attract individual investors that could participate in the company (Sun 2014; Haiying Zhang 2015).

Beidahuang also developed new mechanisms of price speculation, transferring the risks of price fluctuations to the small farmers through futures contracts. Jiusan, which already used hedging tools on soybean production at the local level (Pang 2014), became more proactive in futures trading markets. In 2018, the state-led enterprise adhered to futures hedging in the Dalian Commodity Exchange (DCE) for domestic and imported soybean (Haiying Zhang 2018). Its new Chairman Yang Baolong (杨宝龙 in Chinese) began to openly advocate at the Soybean Industry Association the opening of trade exchanges in foreign currency:

²¹⁶ Liu, Yingtao (Senior executive of Heilongjiang Beidahuang Land Reclamation Group), in discussion with the author. Harbin, 31 October 2018.

²¹⁷ Beidahuang's decoupling followed the central government's guidelines approved in December 2015 by the State Council's “Opinions on Further Promoting the Reform and Development of State Farms”. The Heilongjiang government formalised it in November 2018 with the guideline titled “Implementation Plan for Transferring and Reforming Administrative and Social Functions of the Heilongjiang Provincial Land Reclamation Bureau” (Gao 2018).

²¹⁸ Translated by the author from the original “在发展上就是按照习近平总书记说的，发展大基地、大企业、大产业。”

Regarding shipping schedules, quantity, and price formation, the CBOT offers the fairest trading rules. This is the power of capital. And what we must do today is integrate agriculture and financial capital (...). Hereafter, Heilongjiang's soybeans will be transformed into food commodities connected to futures markets and futures insurance. These are all challenges we need very much (B. Yang 2018, 38, 39).²¹⁹

Notably, new forms of profit-making from price speculation interested private investors, which Beidahuang intended to attract. Futures hedging appeared as a self-evident swilling solution amidst increasing competition with transnationalised capitalists in the Chinese market. As Guo Yanchao, Jiusan's Vice President and largest private shareholder stated in a summit held by Dalian Commodity Exchange in 2018,

people who do futures and trade have a chance to make money (...) I personally think that if you don't go up and down [from processing to derivatives market] in our industry if you still only squeeze oil, you must have no way out in the end, and you will be defeated by COFCO, Yihai [Wilmar's subsidiary] and other enterprises. (Y. Guo 2018)²²⁰

By looking at the adaptation of rival fractions of capital to the finance-driven accumulation strategy of COFCO, one could assume that, in the soybean downstream complex, China's neoliberal transition is grounded on capitalist class consensus under the transnationalised state bourgeoisie's hegemony. However, a further analysis of the inter-capitalist relations and the political battle it generated indicates that such transition is far from consistent. It rather reinforces Bryan's (1987) understanding of the state (inspired by Poulantzas) as a central subject of class contradictions and political struggles in the process of mediating international movements of capital. Accordingly, given the deep inter-capitalist divisions in the soybean downstream complex, the domestic contradictions brought about by China's transnationalised capital did not always translate into pro-neoliberal adaptation.

In addition to accumulation strategies of trade and finance opening-up, China's neoliberal-looking reforms in the sector also entailed power rivalry related to the geographic control of capital. For instance, the state-led Jiusan still relied on domestic soybean production

²¹⁹ Translated by the author from the original “我们就谈船期，谈数量，价格去看CBOT，多么公平的交易规则，这就是资本的力量。而我们今天要做的，农业产业和金融资本必须做紧密的结合(...)未来大豆向食品方向转型，黑龙江的大豆和期货市场，和期货保险相连接，这都是我们非常需要的挑战。”

²²⁰ Translated by the author from the original “做期货和做贸易的人才有机会赚钱(...)我个人认为，我们这个行业如果你不往上往下走，你还维持说我只是做榨油，你最后一定是没有出路的，一定会被中粮、被益海、被其它企业击垮。”

in the North-eastern Heilongjiang province, and the state-led Sinograin played a central political role in managing the national grain reserves (despite having lost its price-setting power). As such, their deep integration into domestic circuits of production and consumption and their limited sourcing capacity overseas did not match a full-blown trade liberalisation, which had previously rendered them virtually idle during the battle of the beans (Chapter 5). Sustaining the soybean production bases in Heilongjiang province in line with China's traditional food security governance was still essential for their class interest. This suited well with China's popular antipathy towards GM crops (instrumentalised in the state-led bourgeoisie's favour during the battle of the beans) as it guaranteed the detachment of domestic non-GM production against foreign competition.

Therefore, agricultural scaling-up and trade financialisation tended to unify different fractions of capital – at the expense of labouring classes – whereas diverging interests over the geographic disposition of capital aggravated their rivalry. Accordingly, on the one hand, in 2014, state institutions from Heilongjiang province promoted campaigns to raise public awareness against the effects of GM crops on human health (Gaudreau 2019, 264; W. Li 2013). On the other hand, MARA aligned with the transnationalised state bourgeoisie's interests. It requested censoring advertisements against GM foods at China's Central Television and reported at the 12th National Committee of the Chinese People's Political Consultative Conference in 2015 that “all genetically modified foods currently on the market are safe” (Y. Jin 2015; cited in Yan, Chen, and Ku 2016, 381). Such a controversy probably started when MARA issued three new safety import certificates of GM soybean used for commercial cultivation in major export countries in 2013 and subsequently promoted some pioneering development of GM seeds by Chinese institutions (Gaudreau 2019, 263).²²¹ With the new certificates and GM technological prospects, Heilongjiang soybean agricultural bases became increasingly vulnerable to external competition.²²²

In 2016, the controversy intensified as the central government pledged to liberalise the commercialisation of Chinese-made GM corn and soybeans in China's Five-year Plan for Science and Technology (Baxter 2016). Such a political orientation followed efforts to

²²¹ In December 2019, the Ministry granted biosafety certificates for GM soybean and corn developed by Beijing Dabeinong Technology Group and Shanghai Jiaotong University. In June 2020, it also issued a new safety import certificate for GM soybean produced by Beijing Dabeinong Technology Group in Argentina (Wesz Jr., Escher, and Fares 2021).

²²² By then, the foreign-produced GM soybeans allowed for use in China reached six types, including the Roundup Ready soybean (Dong 2013).

integrate more and more soybean processing regions into global value chains. For instance, the 13th Five-Year Plan for Oilseeds Processing in 2016 suggested connecting the agri-industrial production from both the Beijing-Tianjin-Hebei cone and the Yangtze River Economic Belt with the Belt and Road Initiative. As the document stated, global integration would “help processing enterprises to make full use of resources, carry out international cooperation, transfer productive assets abroad, and internationalise services and infrastructure” (SAG 2016, 5–6).²²³

As one can imagine, the state-led bourgeoisie and related state segments – particularly from Heilongjiang province – strongly opposed those intents. In 2016, the Heilongjiang Food Safety Regulations prohibited not only the cultivation but also the processing of genetically modified soybean, corn, and rice in the region – including for edible oil production, which has traditionally relied on transgenic soybeans (Standing Committee of the Twelfth People’s Congress of Heilongjiang Province 2016). Moreover, in May 2017, the Heilongjiang Provincial Government formalised the prohibition of GM soybean farming in the region by issuing its own food safety regulation (B. Yang 2018, 38). One year later, when publicly discussing this issue, Jiusa’s Chairman and General Manager Yang Baolong shed light on the state-led bourgeoisie’s interests and its political agenda:

It is necessary to completely stop the production and processing of genetically modified crops in Heilongjiang and develop agricultural products beneficial to the Chinese soybean industry. Heilongjiang will become a special zone for China’s green food, healthy food, and safe food. We are setting a good example with national significance. Of course, the introduction of this policy also requires great courage, so I thank the support of the Provincial Party Committee and the Provincial Government. (B. Yang 2018, 38)²²⁴

²²³ Translated by the author from “有利于加工企业充分利用全球资源，开展产能国际合作和转移，带动粮机装备与工程服务‘走出去’”。

²²⁴ Translated by the author from the original: “要全面停止在黑龙江区种植生产加工转基因，从黑龙江发展农业的角度，对中国大豆产业负责的角度，黑龙江会成为中国绿色食品、健康食品、安全食品的特区。我们感觉这在全中国有非常好的示范意义，当然了政策的出台也需要很大的勇气，所以说感谢省委省政府。”

8.5. Building Up a Chinese-centric Accumulation Pole

The new internal class contradictions in the soybean downstream complex reveal how China's neoliberalism transition follows unequal and combined development. As described in the previous section, although the state-led Jiusan and Sinograin adjusted their accumulation strategy towards a neoliberal policy paradigm, they still preserved diverging class interests and a political agenda opposed to COFCO's transnationalised state bourgeoisie concerning the geographical distribution of capital. Their differences illustrate the complexity of China's neoliberal-looking reforms in the sector. Instead of a linear process, these reforms involve reordering class relations and policies according to the varied forms of global integration of capital.

Accordingly, the transnationalised state bourgeoisie tilted to a political compromise due to the necessity to assert, as described in the previous chapter, its economic power against competing agribusiness TNCs. Its strategic interest in relocating the gravitational centre of transnational capital towards China appeared to equalise the disputes between the two Chinese-based class fractions while forming a new power bloc. Hence, instead of aggressively promoting soybean imports in COFCO's sole favour, related state segments conciliated liberalisation attempts with remodelling Heilongjiang's soybean agricultural bases as a globally competitive pole of Chinese-based capitalist accumulation.

The new political compromise underpinned a nationalist discourse centred on avoiding import dependency – which emulated nationalist food security discourses, though with a renewed liberal guise. Accordingly, central state institutions created new political and financial incentives for domestic soybean production following capitalist modernisation guidelines. China's 2017 Number 1 Document encouraged the consolidation of monocultural agriculture by delineating protection zones specialised in crops like soybean, corn, rapeseed, and staple grains (*China's No.1 Central Document*, 2017). In 2019, MARA approved the soybean revitalisation plan, which emphasised the usage of high-yield soybean varieties and intercropping of soybean and corn (MARA 2020; L. Yu et al. 2020). The China Agricultural Outlook 2020-2029, also issued by MARA, projected the growth of domestic soybean production at an annual rate of 2.1 per cent, aiming to expand from 18.1 to 22.2 million tonnes during the 2020s (Yu et al. 2020; cited in Wesz Jr., Escher, and Fares 2021).

The central government's orientation accompanied a set of supportive policies from Heilongjiang province to scale up the local production – the sale of which was controlled

primarily by Beidahuang, the state-led Jiusan's parent company. In 2016, China's North-east Revitalization Plan promoted high-quality cultivation techniques of soybean (Yu et al. 2020; cited in Wesz Jr., Escher, and Fares 2021). It also encouraged North-eastern processing enterprises, including Jiusan, to purchase domestic soybeans and build modern storage and logistics facilities (SAG 2016, 18). Moreover, in April 2018, Heilongjiang raised soybean farming direct subsidies to an unprecedented 200-210 yuan per mu (a Chinese measuring equivalent to 0.06 hectares) (Niu 2018). As a result, the total domestic share of Heilongjiang's production grew from 36.90 per cent in 2015 to 45.56 per cent in 2018 and kept around 40 per cent by 2021 (Tang 2018; USDA n.d.).

The creation of a rival pole of accumulation in China also comprised renewed attempts to decrease the dependency on Western controlled supply channels, particularly after the 2018's China-US "trade war". By diversifying the soybean import supply, China had larger autonomy to impose trading standards globally. As Xi Jinping stated during the Central Working Conference on Rural Areas already in 2013: "if we grasp the grain sources, we will grasp the trade, we will grasp the pricing power, and we will have to build the confidence of our own international big commodity traders" (SASAC 2016).²²⁵

Therefore, since 2015, the state-led Sinograin has made progressive efforts to reduce its dependency on the US soybean supply, shifting most of its imports to Argentina and Uruguay (Du 2018). In 2020, Sinograin partnered with Syngenta (controlled by the Chinese state-owned ChemChina) to spur investments in Argentina, aiming to increase its soybean sourcing in the country by up to 25 per cent (Pressinott 2020; cited in Wesz Jr., Escher, and Fares 2021).²²⁶ In the same way, amidst fear of supply disruption due to the China-US "trade war", COFCO imported 19,000 tons of soybean from Russia in 2019. It also announced investments in soybean sourcing from the neighbouring country, pledging to meet up to 10 per cent of China's soybean import demand in the medium run (COFCO 2020; Wu 2020).²²⁷

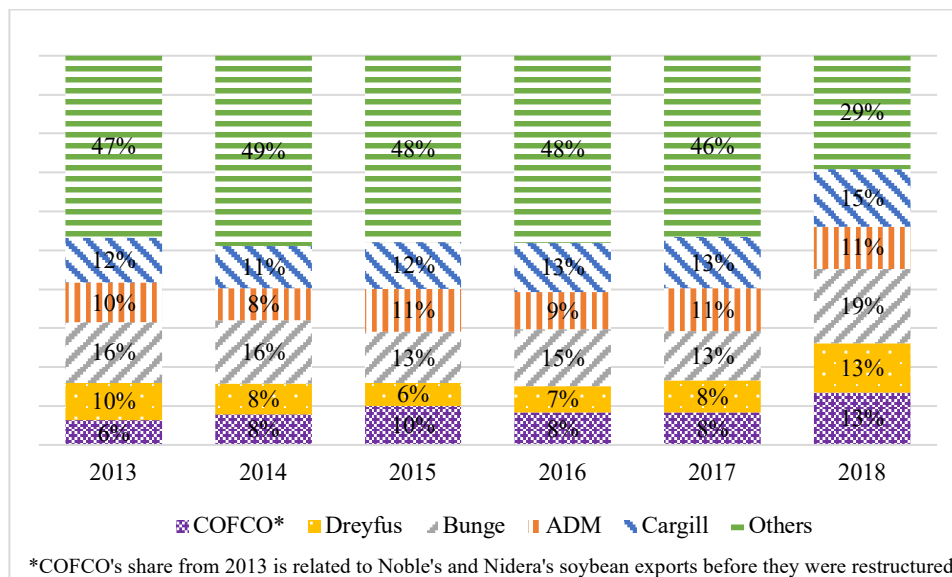
²²⁵ Translated by the author from the original "掌握了粮源就掌握了贸易, 就掌握了定价权, 要有打造我们自己的国际大粮商的信心."

²²⁶ The efforts to build a Chinese centric financial power are also expressed in Beijing's increasing political intervention in Hong Kong, which gives the CCP larger control over such a globalised financial hub extremely relevant to COFCO's transnationalised state capitalists.

²²⁷ The Chinese imports of North American soybean reduced from 39 per cent in 2014 to 22 per cent in 2019 (Comtrade, n.d.). Moreover, despite purchasing a large amount of North American soybean amidst the Phase One Agreement of the China-US trade negotiations in 2020, COFCO committed to reducing its dependency on the US supply. As COFCO International's Chairman Chi Jingtao addressed Brazilian partners during the 2019 Agribusiness Congress in Sao Paulo, "There may be bumps along the road, as

Moreover, to bypass the foreign TNC's trade oligopoly, the company pursued a more aggressive sourcing strategy in South America, as described in the last chapter (see also Wesz Jr., Escher, and Fares 2021). After acquiring Noble and Nidera, COFCO kept investing in soybean sourcing, increasing its shares from 6 per cent to 13 per cent of the regions' total soybean exports (Figure 60). According to a Bunge's executive, when referring to COFCO and other Asian transnationals in Brazil, "a good part of those companies changed attitude, moving from clients to competitors" (Bonato 2016). Hence, even though COFCO maintained commercial agreements with Wilmar International and ADM, its traditional foreign partners,²²⁸ their mutual trade transactions reduced significantly under the new political scenario.²²⁹

Figure 60: Soybean export share from traders in the Southern Cone (Brazil, Argentina, Uruguay, and Paraguay)



Source: Wesz Jr., Escher, and Fares (2021).

As described above, with Heilongjiang's soybean production growth and diversifying import supply, COFCO's transnationalised state bourgeoisie engaged in a strategic alliance with the state-led bourgeoisie while detaching from the Western-based transnational hegemony.

we have seen with the US-China trade relationship, but from COFCO's point of view, the long-term relationship between our countries and our businesses looks very solid" (Allan 2019).

²²⁸ COFCO and Wilmar renewed their supply agreement in 2014 and 2017. In the last renewal, they added the exchange of services such as logistics and finance (China Agri-Industries 2017).

²²⁹ The aggregate value of products and services sold by Wilmar Holdings Group to COFCO's subsidiary China Agri dropped from RMB 758.57 million in 2008 to RMB 178.69 million in 2017. China Agri's sales to Wilmar Holdings also dropped from RMB 539.75 million to only RMB 66.88 million during the same period (China Agri-Industries 2017; 'China Agri Annual Report' 2009).

Naturally, this move coincided with the interests of the state-led Jiusan and Sinograin over the control of soybean production and consumption domestically. The new power bloc consolidated itself amidst the rise of nationalistic rhetoric following the outbreak of Covid-19 and continuing geopolitical disputes with the US during Joe Biden administration. Thereby, China's soybean downstream complex was able to take advantage of a new political scenario that propelled Xi Jinping administration to turn its attention back to the national economy and repress Chinese capitalists associated with North American financial interests – such as the liberal business magnate Jack Ma (马云 in Chinese) and Didi Chuxing's co-founders Will Cheng (程维 in Chinese) and Jean Liu (柳青 in Chinese) (Gill 2021, 20; Nogueira 2021; Zhu and Sun 2021).

This type of class arrangement coincides, to a certain extent, with the paradoxical political effect described by Weber, in which “China is found both to be neoliberal and to provide an alternative to neoliberal development” (2020, 1). However, by looking at the Chinese state from a class perspective, we note that a strong state presence and a renewed nationalist agenda are not an antidote to neoliberalism. These factors are rather the consequence of institutional rearrangements and the formation of a dominant class power through unequal and combined development, which reflects China's particular integration into global capitalism. In the actual context of the soybean downstream complex, the incorporation of state-led bourgeoisie's interests is part of the contradictions emerging out of the internationalisation of capital and inter-capitalist relations at home, as Bryan's (1987) analytical approach elucidates. Therefore, a neoliberal transition is a multifaceted process due to its own complex integration into world capitalism. It depends on the capacity of COFCO's transnationalised state bourgeoisie to expand its bases of accumulation as a dominant class fraction while conciliating with rival fractions.

In this regard, I note that the Chinese-centred economic orientation pushed forward by the new power bloc did not jeopardise COFCO's transnationalised and finance-driven accumulation strategy. Even though diversifying China's soybean supply chain and avoiding import dependency, related state institutions did not insulate the domestic production from foreign competition, as the state-led bourgeoisie initially advocated for. Instead, they placed greater efforts on integrating China's soybean downstream complex into global value chains, by among other things strengthening price control mechanisms of international soybean trade as an alternative to the Chicago Board of Trade. Such an economic endeavour was in line with

neoliberal political paradigms as it created mechanisms to replicate financial speculation and free trade in the domestic economy.

For instance, since the mid-2010s, MARA and China's Ministry of Commerce promoted the expansion and internationalisation of the Dalian Commodity Exchange (DCE), China's largest soybean exchange board, located in the traditional processing hub in North-east China (SAG 2016; DCE n.d.). Following the ministerial directive, in November 2016, the General Administration of Quality Supervision, Inspection and Quarantine (GAQSIQ) approved the participation of imported soybeans, also known as No. 2 soybean, in the DCE's futures delivery portfolio, after twelve years of having restricted it (Haiying Zhang 2018). In May 2018, the DCE invested in improving its logistics and operation system, therefore, enhancing its competitiveness vis-à-vis the Chicago Board of Trade (Haiying Zhang 2018). Notably, among industry insiders, China's move to boost the DCE futures' operations for domestic and imported soybeans followed efforts to establish its own price setting (and speculating) platforms to compete globally with those in the West (Haiying Zhang 2018).²³⁰

The formation of a globalised accumulation pole competing with Western-based fractions of capital also entailed the further opening of the domestic economy to foreign investments, which has traditionally been part of COFCO's transnationalised state agenda. This includes attracting and "assembling" global financial capital under the Chinese corporate hegemony, as Lin and Milhaupt call when referring to the state sector's reforms, the 'temasekization' of SASAC (2013, 755).²³¹ One can also observe this gravitational dynamic towards China as a reproduction of how COFCO International operates overseas as an attractive multinational investment platform under Beijing's influence. Xi Jinping's speech at the opening ceremony of the annual conference of the Boao Forum for Asia in April 2018 best illustrates the nature of such an economic aspiration:

We will pay equal attention to "bringing in" and 'going global', and break new ground in opening China further through links running eastward and westward, across land and over sea. We will adopt policies to promote high-standard liberalization and facilitation of trade and investment, and explore the opening of free trade ports with Chinese characteristics. (Hao 2018)

As we can see, building up a Chinese-centred accumulation pole underpinned the progressive opening of the domestic market in line with neoliberal globalisation. For instance,

²³⁰ Zhang, Wei (Senior executive of COFCO International Brazil), in discussion with the author. São Paulo, 11 October 2018.

²³¹ The term is a reference to the Singaporean sovereign wealth fund (SWF), Temsak.

amidst the trade conflict with the Trump administration in the US, China's National People's Congress approved the Foreign Investment Law in 2019, which reduced restrictions on foreign investments in broader economic sectors, including agriculture (Galbraith and Daly 2019). Therefore, the Chinese government responded to the North American political pressure against trade protectionism. However, its response coincided with China's willingness to attract foreign financiers in favour of fractions of capital like the transnationalised state bourgeoisie in the soybean downstream complex. As Xi Jinping affirmed during the 2022 World Economic Forum, "all types of capital are welcome to operate in China in compliance with laws and regulations and play a positive role for the development of the country" (Bloomberg News 2022).

On the one hand, China's policy change benefited North Atlantic-based agribusiness transnationals, as they enjoined a more welcoming business environment and opened regulations to invest in China. On the other hand, though, they faced a renewed nationalist discourse in China and more outstanding political efforts to place Chinese agribusiness as a global power, all of which propelled adaptive measures on their part. Such a paradoxical dynamic is expressed in the words of Liu Jun, the General Manager of Cargill China, and Robert Kuok, the patriarch of the overseas Chinese Kuok family (founder of Wilmar International). The former indicated its growing business prospects in Chinese agribusiness:

We used to be engaged in oil, soybean crushing and corn deep processing. The industry was once strictly controlled by the state, but now the market is open and completely free. At present, China's GDP accounts for about 15 per cent to 20 per cent of the world's GDP, but Cargill's business in China is still relatively low. We will continue to invest in China and increase Cargill's share of global business. In the next 7 years, we will strive to double Cargill's business in China. (Li, 2019).²³²

Robert Kuok, in turn, indicated the foreign agribusiness discontent with the Chinese nationalist political orientation on food security:

Wilmar doesn't do anything except be efficient, but resentment can be the price of efficiency. Too much growth can give rise to environmental issues. It can give rise to questions about food security, when a government comes to believe that too much of a nation's food is imported or that too much of the food industry is controlled by 'foreigners'. (Tanzer 2018; cited in Yeap 2018)

²³² Translated by the author from the original “对于嘉吉来说，我们原来从事的油、大豆压榨和玉米深加工行业一度被国家严格管控，而现在这些行业实现了开放，完全自由竞争。眼下中国的GDP 约占全球的 15%-20%，但是嘉吉在中国的业务在全球的占比与此还有较大差距。我们会持续投资中国，并提升嘉吉在全球业务中的份额。未来 7 年里，我们争取把嘉吉在中国的业务再翻一倍。”

As a result, China's neoliberal transition in the soybean downstream complex has encompassed more than simply trade and finance liberalisation. It follows Xi Jinping's governing approach that mingles globalisation and free trade with nationalism (Lin 2021, 245). This way, the establishment of an alternative accumulation pole under COFCO's transnationalised state bourgeoisie's hegemony has successfully propelled the redirection of global agribusiness towards China. For instance, ADM increased its shares in the Singaporean-based Wilmar International to up to 22 per cent in 2016 to increase its participation in the Chinese market (Grain 2016). In turn, Wilmar International has considered listing on Shanghai Stock Exchange since 2018, with expectations of attracting Chinese investors and eventually being regarded as a domestic enterprise (Yeap 2018). In October 2020, it listed Yihai Kerry, Wilmar's Chinese subsidiary for edible oils and fats, in Shenzhen Stock Exchanges during the 40th anniversary of Shenzhen Special Economic Zone (J. Li 2020). Lastly, Cargill assigned for the first time Chinese staff to senior management positions, such as Liu Jun (Z. Li 2019). Presumably, they helped Cargill better integrate into the local market with business know-how and relations with local state institutions.

8.6. Final Considerations

The domestic effects of COFCO's global prominence and the subsequent political rearrangements in the soybean downstream complex illustrate the peculiar characteristics of China's integration into the neoliberal world order. It helps us understand the class and power dynamics behind recent political and economic changes, which go beyond simplistic state views and globalisation. Instead of a constraint to private capital – as suggested by So and Chu, (2012, 2010), and Weber (2020, 2018) – the state itself embraced and reflected the internal capitalist contradictions in the sector, as the transnationalised state bourgeoisie took the hegemony of a new power bloc. Therefore, while China integrated into global circuits of production and consumption through unequal and combined development, reinforcing a contradictory capitalist formation, it also preserved a nationalist discourse over food security. China diversified its global soybean supply and positioned itself against import dependency, attending (at least partially) to the state-led bourgeoisie's interests. At the same time, it promoted the integration of domestic soybean production into global trade and financial

circuits, creating a globalised accumulation pole with pricing power alternative to the Chicago Board of Trade.

Just as this peculiar neoliberal political paradigm corresponds to political rearrangements in the soybean downstream complex, those rearrangements can also pave the way for future transformations. For instance, as speculative finance tends to expel productive capital, hinder industrialisation and disrupt labour conditions, it might jeopardise the PCC's political legitimacy, which traditionally relies on industrial modernisation and economic growth (Dic 2020). Moreover, just as forming a new power bloc responds to aggravated inter-capitalist contradictions in the sector, such a new power bloc carries with it elements for future fractures. For example, COFCO's transnationalised state bourgeoisie alignment with state-led capitalists amplified divergences among the latter's own ranks – not to mention the divergences between both class fractions. As a COFCO's senior executive noticed in an interview with the author, foreign financial investors less reliant on the state may further urge economic liberalisation in order to increase shareholder value, whereas Beijing headquarters may favour trade protectionism against speculative-based price fluctuations.²³³

The mutable dynamic of the neoliberal transition in China's soybean downstream complex also derives from external factors. For instance, China's geopolitical rivalry with the US may push for changing accumulation strategies and inter-capitalist rearrangements at home. So far, trade agreements between Trump and Xi Jinping in January 2020 forced COFCO to increase its soybean imports from the US . Therefore, the transnationalised state bourgeoisie has put a (short) hold on its attempts to diversify COFCO's global soybean supply and consolidate an alternative accumulation pole in China. This erratic trade contention also affected China Agri, Hong Kong's subsidiary responsible for COFCO Oils and Fats Company. With volatile agricultural markets, China Agri's stock prices devaluated abruptly, propelling COFCO to withdraw the company from the Hong Kong Stock Exchange in 2019 and transform it into a wholly-owned subsidiary of COFCO Hong Kong (C. Yang 2019). China Agri's underperformance and subsequent delisting represent a downturn in COFCO's finance-driven accumulation strategy. It contradicts the Group's 13th Five-Year Plan, which proposed the overall listing of the four major sectors of grain and oil, food, finance, and real estate by 2019 (Y. Li 2018).

²³³ Xu, Qianglong (Senior executive of China Agri-Industries Holdings Limited), in discussion with the author. Beijing, 3 November 2018.

Nevertheless, the long-term effects of global trade contentions might be insignificant as COFCO's sourcing from South America is still central to its international investment strategy, making China less and less reliant on US soybean imports (Wesz Jr., Escher, and Fares 2021). Moreover, one could still argue that the China Agri's underperformance represents the ultimate triumph of COFCO's trade speculation over productive capital in agri-food processing: In 2017, soybean crushing accounted for 64 per cent of China Agri's revenue from continuing operations (China Agri-Industries 2017).²³⁴ Its decline contrasted with the rising profitability of COFCO International (CIL), responsible for trade and investment operations overseas (Chapter 7). CIL has gained increasing centrality in COFCO's overall expansion strategy, leading its Beijing headquarters to consider transferring part of China Agri's soybean processing assets and listing CIL in Shanghai Stock Exchanges (Almeida et al. 2021; Trompiz 2021).

In sum, capital internationalisation through COFCO's finance-driven accumulation strategy is a crucial element of economic and political transformations in China. Its dialectical relationship with inter-capitalist disputes and their political arrangements in the soybean downstream complex give a peculiar characteristic to China's neoliberal transition. Its contradictory domestic impacts open a new research agenda on the nature of the Chinese state and its role in neoliberal globalisation.

²³⁴ The rest was composed of wheat processing, rice processing and trading, brewing materials and others.

Conclusion

Conclusive Remarks on Capitalist Transnationalisation

This thesis focused on the five main capitalist class fractions in the Chinese soybean downstream complex. It demonstrated how the varied accumulation strategies and vivid political action of each class fraction had reshaped institutional settings in the sector since the late 1980s. By analysing their political influence and subsequent historical changes, I questioned the idea of a stable and homogeneous state in China. Instead, I see the state as a space for wealth and capital accumulation. State institutions enable capitalist expansion and are shaped according to specific dominant class interests through their struggle for power.

Chapter 2 initiated a historical-oriented discussion, showing that the disputes between different fractions of the bourgeoisie within the state intensified with the opening of soybean import markets in the mid-1990s. Their rivalry entailed the sector's integration into global circuits of production and consumption, allowing related soybean traders and processors to expand at home and abroad unprecedentedly. In line with Yan, Chen, and Ku (2016), Chapter 2 suggested that soybean liberalisation was not a consensual (and inevitable) political initiative. It rather implied the growing political and economic influence of the transnational bourgeoisie, represented by the ABCD. Their access to the Chinese state throughout the liberalisation process evidences the global dimensions of capitalism as a never-ending expanding system open to class agency (Tabb 2009). This endorses the primacy of politics in China's evolving interaction with global capitalism (C. Lin 2012). Through political action at both national and international levels, the transnational bourgeoisie became a decisive force in opening China's soybean import market. This class fraction was particularly influential in U.S.-China diplomatic negotiations, bilateral agencies like the China American Chamber of Commerce, and multilateral institutions like the World Bank and the WTO.

By assessing the ABCD's political influence, Chapter 2 questioned the mainstream discourse on food security. Such discourse considers the policy change as a government's attempt to modernise the feed processing and livestock industry. The mainstream literature (Gale 2015; Hsu 2001; McKee 2004) argues that importing soybean and soybean products aimed to alleviate grain shortages and provide cheap animal feed resources to the livestock industry amidst China's rising meat consumption. In contrast, I demonstrated that soybean

liberalisation provoked the downfall of the leading domestic soybean processors related to the state-led Jiusan and the national private Dalian Hualiang and Dalian Huanong.

Following Bramall's critique of what he calls revisionist scholars, I argued that these enterprises relied on processing infrastructure built in Northeast China primarily during the Maoist era in the early 1970s. From this base, state-led and national private capitalists expanded through an endogenous form of capitalist accumulation, relying on domestic production and consumption under the state's protectionist policies. On the other hand, I showed that the transnational bourgeoisie was more inclined to expand through trade and finance than soybean processing. Its class interests endorse Bramall's critique of the centrality of foreign investments in China's early rural industrialisation. Trade liberalisation allowed the ABCD to expand by participating in increasing imports of soybean and soybean products. Their strengthened commercial presence competed with state-led and national private capitalists and provoked the decline of endogenous accumulation.

Following the opening of China's domestic market, these two decadent class fractions adopted new forms of accumulation. They transferred part of their processing capacity to coastal provinces and imported increasing quantities of soybean. At the same time, they pressured state institutions to reimpose import barriers on processed soybean in 1998/1999. Chapter 3 examined their adaptation and reaction through the lens of the Marxist idea of uneven and combined development – which looks at national systems as a constitutive part of a world-expanding totality. Their interaction with the world economy demonstrates how Chinese capitalism incorporates different stages of development. While foreign agribusiness TNCs expanded through free trade, state-led and national private capitalists combined free trade with industrial protectionism. Therefore, they modified China's position in the global soybean commodity chain, making the domestic soybean processing industry a core economic segment.

The two fractions of the bourgeoisie benefited from the late 1990s' centralisation of power and macroeconomic reforms widely explored by the literature on state capitalism. Accordingly, the central government strengthened its fiscal and administrative capabilities and enabled industrial growth through a developmental agenda. With this process, related enterprises (the state-led Jiusan and Sinograin, and the national private Dalian Hualiang, Daliang Huanong, Hopefull, and Bohai) gained financial and political support of the central government and state officials from different localities. They promoted corporate reforms and adopted rentier strategies of accumulation, taking advantage of state-driven land dispossession in urban centres to grow.

The sector's integration into transnational circuits of capital through uneven and combined development helped constitute a heterogeneous class structure from which new fractions of capital would emerge. For instance, the government's straightening economic capabilities and industrialising agenda encouraged associated capitalists related to the overseas Chinese diaspora (Kuok's Wilmar International and Kuok Brothers) and other commercial intermediaries (Richard Elman's Noble Group) to build soybean processing infrastructure in China. As key players associated with foreign TNCs in East and Southeast Asia, these strata also took advantage of opening soybean import markets to expand trade operations. Their rapid growth in China attracted foreign financiers, which helped consolidate wide-reaching businesses worldwide. Therefore, Wilmar International and Noble Group became an integral part of the transnational bourgeoisie, whose accumulation strategies differ from those often described by the literature on state capitalism (Chapter 3).

As transnational capitalists began to invest in soybean processing infrastructure, they sought further collaboration with the state traders COFCO and Chinatex. Such collaboration assured their global monopoly on trade as foreign TNCs provided substantial soybean imports to their Chinese counterparts. It also allowed them to obtain financial and political support from Chinese state institutions for establishing soybean processing plants in China. In turn, COFCO's and Chinatex's connections with foreign agribusiness TNCs nurtured the rise of the transnationalised state bourgeoisie. This emergent class fraction resembles Harris' idea of "statist globalisers" when analysing China's prominence in the world economy. Statist globalisers spread through cross-border investments, going abroad while relying on government-controlled assets.

However, contrary to Harris's approach, Chapter 4 suggests that the spatial spread of transnationalised state capitalists beyond national borders is not what distinguishes them from other groups of capitalists. What defines them as a unique class fraction is rather how globalisation allows them to push forward a finance-driven accumulation strategy. For instance, as COFCO and Chinatex connected to foreign agribusiness TNCs, they paved the way for integrating into global finance. These state traders became a gateway for foreign investments in China's financial market and a springboard for offshore asset transferring. They enjoined financial secrecy in tax havens and invested in soybean processing by raising funds on international financial markets, borrowing from foreign banks, and issuing short-term commercial papers abroad. At the same time, they subordinated soybean processing to the rule of finance by incorporating related companies into the Hong Kong stock exchanges and abiding by shareholders' interests (Chapter 4). Their expansion alongside foreign partners also

contradicts the productive-oriented industrialisation path described by the literature on state capitalism. Therefore, they became another diverging class fraction within the complex inter-capitalist relations of China's soybean downstream complex.

As one can notice, looking at China's capitalist transnationalisation has allowed this thesis to articulate international political economy with state and class analyses. This way, Chapter 5 delved into COFCO's and Chinatex's pioneering attempts to establish soybean supply channels in Brazil in the mid-2000s. It analysed the domestic implications of their sourcing strategy and, therefore, addressed some of the limitations of the existing literature on China's agricultural outbound investments. I highlighted once again the heterogeneity of Chinese capitalism and the mutable character of the state throughout its integration into the world economy.

Accordingly, Gustavo Oliveira (2018) argues that the world price volatility and the subsequent soybean crisis during China's battle of the beans discouraged Brazilian cooperatives and commercial intermediaries from partnering with Chinese companies. Even so, COFCO and Chinatex proved to be reliable soybean importers considering their dominant position in the state and financial capacity to absorb the effects of the crisis. Despite failing to establish supply channels with Brazilian parties, they still attracted the interest of foreign agribusiness TNCs, who collaborated to sell them soybeans in Brazil. Ultimately, the battle of the beans reconfigured COFCO's and Chinatex's investment strategy in Brazil, from independent sourcing to a "subordinated alliance" with the transnational bourgeoisie.

By linking Oliveira's findings with state and class analyses, I indicate that COFCO's and Chinatex's subordinated alliance consolidated their finance-driven accumulation strategy. They further transferred assets to offshore firms, relied more and more on capital market investments abroad, and developed rentier strategies of accumulation related to price speculation. Their rentier strategies consisted of taking advantage of their semi-monopolistic role as state traders to predict the domestic demand from Chinese consumers and set favourable selling prices alongside foreign partners. Thereby, they invested in futures contracts and overcame initial losses from the battle of the beans. Contrary to the nationalist approach of the literature in line with China's current food security governance, COFCO and Chinatex shared the benefits of global price volatility and acquired bankrupted soybean processors through Sino-foreign joint ventures (Chapter 5).

Conclusive Remarks on Power Struggle and the State

As I articulated discussions on international political economy with state and class analyses, I drew on institutional rearrangements and policy changes in the soybean downstream complex. To this end, both Poulantzas' (1976; 1978) and Jessop's (1990) work on capitalist states provided a rich theoretical background as they highlight the centrality of class struggle and power disputes. For them, institutional settings change according to dominant coalitions of groups of capitalists within the state. They claim a relative autonomy of the bureaucratic apparatus, allowing such dominant coalitions to express their individual interests as general interests and granting unity to conflictive social relations.

The power bloc between transnationalised state capitalists and foreign TNCs in the late 1990s and early 2000s illustrates how class disputes influence institutional arrangements in the sector. Its constitution entailed the active political action of both class fractions for further price speculation of processed soybean sales and cross-border trade. Amidst a pro-liberalisation environment upon China's accession to the WTO in 2001, they gained support from local and central state institutions, including direct state subsidies and incentives to invest overseas. The power bloc brought about new policies such as loosening regulations on securities and capital market investments, opening the internal agricultural distribution systems to foreign investments, and allowing more and more Chinese enterprises to operate futures contracts abroad (Chapters 4 and 5).

The TNC-transnationalised state power bloc also demonstrates how inter-capitalist disputes have generated political fractures and paved the way for hegemonic alternatives to the 1990s' institutional arrangement. Drawing on this historical change, I avoided rigid generalisations on the models of capitalism of the Chinese state, often incurred by the literature. In the same way, the political reaction from state-led capitalists in the late 2000s showed once more how hegemonic capitalist formations are under constant scrutiny. Despite COFCO's and Chinatex's economic expansion during the battle of the beans, continuous class rivalry undermined their dominant class position.

As Chapter 5 pointed out, the state-led Jiusan and Sinograin were particularly sensitive to economic disruption and political instability, considering their strategic role in state macroeconomic policy for agricultural supply and price control. For this reason, they mobilised broad industrial players against the TNC-transnationalised state power bloc. Jiusan took advantage of new rural bias policies to create semi-official associations with the collaboration

of China's Ministry of Agriculture. Through those associations, the state-led bourgeoisie allied with soybean processors and farmers (including small households), claiming policies to restrict foreign ownership and price speculation in the sector. The state-led bourgeoisie's political action corresponded precisely to the Chinese "official" discourse on food security. The nationalist appeal of China's pursuit of self-sufficiency suited this class fraction's needs to instrumentalise social discontent and build a new political consensus favouring its objective interests.

The state-led momentum shows that inter-capitalist relations in the sector are not restricted to capitalist accumulation at home. Chapter 6 provides insights into debates on Chinese international expansion considering the new political scenario. In the late-2010s, the state-led Sinograin and Beidaihuang (Jiusan's parent company) promoted independent soybean sourcing in South America, following the government's impulse to modernise China's agri-food industry. They placed themselves into high-value addition activities in global commodity chains by obtaining raw soybean from abroad and controlling soybean processing at home (McKay et al. 2017; Sharma 2014). They also followed political attempts to guarantee food supply for domestic consumption (Myers and Guo 2015; Wilkinson, Wesz Jr., and Lopane 2016) and provide large agribusiness with livestock feed provision (Schneider 2014, 629).

However, due to China's changing inter-capitalist relations, these enterprises expanded their soybean processing capacity at home while failing to invest abroad – the reasons for this are not sufficiently explored by the existing literature. Chapter 6 demonstrated that in the early 2010s, new policies sought to promote domestic ownership and bypass the foreign TNCs' trade oligopoly in the sector. Those policies propelled the reemergence of associated capitalists from private traders in the coastal Shandong province. They heavily relied on letters of credit issued by foreign banks for soybean imports, which provided low interest rates and long-term repayment – aiming to boost the international commodity market as a response to the 2008 global financial crisis.

With the extensive use of letters of credit, the associated bourgeoisie could invest in other industrial segments like real estate to gain more significant profits. As letters of credit made soybean imports a source of capital leverage, the associated bourgeoisie flooded the domestic market with cheap soybeans – which eventually provoked their own decline when letters of credit were no longer abundant, and China's real estate business decelerated. The overflow of cheap soybeans, though, created an economic scenario where Chinese enterprises lost financial motivation to invest overseas. This was particularly the case with the state-led Beidahuang. Even though its soybean processing subsidiary Jiusan benefited from affordable

imported soybeans, Beidahuang's soybean farming business plunged, tightening its budget for overseas investments (Chapter 6).

In sum, state-led capitalists' outbound investment attempts reflected dynamic class relations at home. The failure of related enterprises to secure independent soybean sourcing goes beyond their own mistakes when investing overseas, as some would argue. They reflect the state-led bourgeoisie's limitations within China's inter-capitalist disputes, from which COFCO's transnationalised state bourgeoisie would arise in the subsequent period.

COFCO's Rise from Subordinated Transnationalisation to Independent Transnationalisation

Throughout the inter-capitalist disputes that followed China's soybean import liberalisation, the transnationalised state bourgeoisie achieved political prominence in two phases: 1) with the TNC-transnationalised state power bloc in the early and mid-2000s, and 2) during the current Xi Jinping administration. Whereas in the first phase, the transnationalised state bourgeoisie was firmly confronted by state-led capitalists, it consolidated a solid and long-lasting political supremacy in the second phase. This comes as China's post-2008 economic development provided a breeding ground for COFCO's finance-driven expansion. Accordingly, as rising public spending and credit boom aggravated industrial overcapacity, investments in soybean processing infrastructure generated fewer returns, and debt rates among enterprises in the sector ascended. With little room for profitable realisation, surplus capital tended to move out of production. This way, COFCO's transnationalised state bourgeoisie grew with financial leverage and investments in capital market operations and price speculation.

COFCO has also put surplus capital into movement by launching massive outbound investments – which critical geography (David Harvey and Henri Lefebvre) identify as processes of spatial deferring or spatial fix. Following Xi Jinping's expansionist foreign policy, COFCO used its prominence in the domestic market as a trampoline to expand internationally (Wesz Jr., Escher, and Fares 2021). The company increased its control over soybean trade and transferred processing infrastructure overseas after acquiring Noble Agri and Nidera in 2016. Therefore, it amplified its access to markets, natural resources, and labour force in South America. Contrary to what neomercantilism narratives suggest, though, COFCO's transnationalised state bourgeoisie expanded primarily by further integrating its business into

global finance. It replicated the investment methods of North Atlantic-based TNCs in Brazil and other export countries and invested in broad financial operations abroad.

However, apart from the new economic scenario, what explains COFCO's success compared to its inability to hold a hegemonic position in the mid-2000s? Looking at the company's positioning in the world economy, I notice a qualitative change from a subordinated transnationalisation to an independent transnationalisation. Whereas COFCO currently competes with foreign agribusiness TNCs for global prominence, it relied on them to obtain soybean supply from Brazil during the battle of the beans. COFCO's subordinated alliance with these TNCs restricted its autonomy to make concessions to rival fractions of capital and assure a long-standing hegemony. Its growth over bankrupted soybean processors alongside foreign counterparts had placed the company in direct opposition with the state-led bourgeoisie. As described previously, amidst the overflow of imported soybeans and the foreign headway in the sector, the state-led bourgeoisie found room to mobilise broad industrial segments by utilising a nationalist discourse on food security.

As COFCO actively integrates into transnational circuits of capital – without going through a subordinated alliance with foreign TNCs – it is able to build broad coalitions in China. As inter-capitalist disputes became more pronounced amidst a controversy around GM soybeans, COFCO made compromises with state-led capitalist rivals to maintain its dominant political position. This time, COFCO's transnationalised state bourgeoisie adhered to a more nationalist-oriented political agenda. This included renewed government measures to avoid import dependency, such as scaling-up soybean production in Heilongjiang Province and diversifying China's global soybean supply.

While the transnationalised state bourgeoisie makes these concessions, it assures its class interests by pressuring state institutions to liberalise trade and finance – which explains what some authors (So and Chu 2010; Weber 2018; 2018) call a paradoxical political agenda involving neo-liberal looking reforms and state protectionism (Chapter 8). Among other measures, the transnationalised state's political action contributed to abolishing the target price-based direct subsidies in 2014, allowing the voluntary formation of soybean selling prices (Chapter 8). In a scenario of increasing financial instability and price speculation, national private capitalists lost economic centrality and became an irrelevant class fraction in the sector. Meanwhile, the state-led Jiusan and Sinograin promoted corporate reforms detaching themselves from public management and state provision of social services. They progressively adopt full-blown profit-oriented operations (Chapter 8).

Another qualitative change between the two phases of COFCO's transnationalisation concerns China's broad political scenario. Although the previous TNC-transnationalised state power bloc pushed forward a liberalisation agenda in the sector, mechanisms for financial speculation were still restricted. COFCO had just gained the government's approval to invest in futures markets overseas, and China's capital and securities markets were tightly regulated. On the other hand, state agencies during the Xi Jinping administration have progressively reoriented the nature of their economic intervention in line with what Wang (2015) calls a shareholding state. The soaring public spending to alleviate the effects of the 2008 global crisis multiplied financial institutions and increased state support for financialised policies. The rising flows of interest-bearing capital allowed a rush for credit generation and shareholding competition among SOEs. As shareholders increased their transit among the officiality, the state has broadly moved towards supervising assets according to shareholder values (Chapter 7).

The current political scenario has allowed COFCO to obtain preferential political support from the state. This included pursuing rentier strategies of accumulation through politically constituted property rights – as suggested in Vergara-Camus's (2021; 2018; Vergara-Camus and Kay 2017) approach to the Marxist concept of ground rent. For instance, COFCO acquired Noble Agri with favourable conditions by appointing its senior executives as Noble's directors with the help of China's sovereign wealth fund. In addition, the central government directly intervened in the management of state-led capitalist enterprises, appointing COFCO's executives to their commanding positions while clamping some of their executives down through anti-corruption campaigns (Chapter 7).

COFCO's independent transnationalisation and decisive political prominence allowed the transnationalised state bourgeoisie to consolidate a competitive position in global financial markets. This class fraction has counted on state planning and state ownership to access financial capital worldwide. It has attracted and "assembled" global investors through COFCO International Corporation and publicly listed companies. At the same time, state policies have contributed to shifting the world economic gravity towards China, creating an alternative to the pricing power of the Chicago Board of Trade. This includes consolidating Dalian Commodity Exchange and launching pilot programs for futures and insurance in China (Chapter 8). It also includes renewed state efforts to open the soybean downstream complex to foreign investments while boosting large Chinese agribusiness through food security governance.

What is next?

As pointed out in chapters 7 and 8, despite the durable rise of COFCO's transnationalised state bourgeoisie during the current Xi Jinping administration, this class fraction's dominant position still relies on the vicissitudes of inter-capitalist relations and continuing power struggle within the state. The deterioration of China-US relations, the Covid-19 pandemic, and the war on Ukraine, among other external factors, may also provoke adverse policy change in the sector. The disruption of global food markets may propel China to adopt policies assuring stable food supplies, reducing COFCO's room for price speculation. In the same way, China's changing foreign relations and international reputation may affect COFCO's capacity to attract foreign financiers and consolidate a competitive position vis-à-vis North Atlantic-based TNCs.

To assess the long-term feasibility of COFCO's accumulation strategy, I suggest a new research line that looks at the company's global political influence, particularly through its relations with foreign states. Such a research line should investigate COFCO's political agenda in soybean export countries, including agreements with state agencies and connections with state officials to obtain credit and source supplies. Moreover, it should investigate in more detail how COFCO attracts and assembles global financial capital. This should address how COFCO International partnered with the International Finance Corporation (IFC), Singaporean-based Temasek, and London-based Standard Chartered. We should inquire what economic and political benefits these foreign partners gained when joining COFCO International. Does CIL's prospects for listing on the Shanghai stock exchange and other strategic decisions meet their interests?

In addition to COFCO's association with foreign financiers, further investigation is needed on how the company's global expansion has recently benefited from evading taxes and raising funds through capital market and banking operations. For instance, compared to its historical practices, is COFCO still able to issue massive short-term commercial papers in Hong Kong and the US? Has it amplified its ability to borrow from foreign banks? To what extent have COFCO's subsidiaries relied on stock issuing and corporate bonds? How has the incorporation of offshore firms in tax heavens boosted their revenues? Notably, these questions also imply COFCO's relationship with rival transnational fractions of capital. As the Chinese company grows globally, it might encounter a stronger reaction from state segments in line with North Atlantic-based TNCs' interests. Such rivalry might affect COFCO's position in financial markets and control over global supply and price.

Lastly, China's continuing adherence to COFCO's finance-driven accumulation strategy tends to provoke changes in the domestic relations of production and class struggle – whose scope has not been entirely covered in my study. As one can presume, the expansion of derivatives markets may further push small farmers out of production, given their lack of financial capacity to hedge futures contracts and inability to withstand price fluctuations. New mechanisms of financial leverage and capital operations may also concentrate agricultural production and trade into the hands of fewer players even further. The repercussions of monopolisation and financialisation of capital to agrarian labour warrant study. For this purpose, we should not ignore the agency of labouring classes. Future research must consider how the political action of small farmers and rural workers impacts the different accumulation strategies and institutional settings in the sector.

Bibliography

A, Mo. 2009. 乌小青自杀迷雾 ‘[Wu Xiaoqing’s Suicide Fog]’. New West, 16 December 2009.

Adani Group. n.d. ‘About Adani Wilmar’. Accessed 2 April 2020.
<https://www.adaniwilmar.com/about-us>.

ADM. n.d. ‘ADM in China’. Accessed 17 December 2019. <https://www.adm.com/adm-worldwide/china>.

Aduanas. n.d. ‘National Customs Directorate’ (online Database). Accessed 15 January 2021.
<https://datos.aduana.gov.py/datos/>.

Aglietta, Michel, and Guo Bai. 2016. ‘China’s 13th Five-Year Plan: In Pursuit of a “Moderately Prosperous Society”’. CEPII Policy Brief 12, September.
http://www.cepii.fr/PDF_PUB/pb/2016/pb2016-12.pdf

Agricultural Futures Network. 2016. 山东昌华集团负债 114 亿申请破产! ‘[Shandong Changhua Group Has a Debt of 11.4 billion Yuan and Filed for Bankruptcy!]’. Finance.Sina, 6 September. <http://finance.sina.com.cn/money/future/agri/2016-09-06/doc-ifxvpxua8011404.shtml>.

Alami, Ilias, and Adam D Dixon. 2020. ‘State Capitalism(s) Redux? Theories, Tensions, Controversies’. *Competition & Change* 24 (1): 70–94.
<https://doi.org/10.1177/1024529419881949>.

Alibole. n.d. 邦基(南京)粮油有限公司 ‘[Bunge (Nanjing) Grain and Oil Co.]’. Accessed 09 December 2019. <http://bjly.alibole.com/company.html>.

Allan, Andy. 2019. ‘Cofco to Increase Brazil Soybean Purchases 5% per Year’. *Agri Census*. 5 August. <https://www.agricensus.com/Article/Cofco-to-increase-Brazil-soybean-purchases-5-per-year-7819.html>.

Almeida, Isis, Javier Blas, Andy Hoffman, and Alfred Cang. 2021. ‘China Plans New Food-Trading Giant with COFCO Merger and IPO’. *Bloomberg*, 15 March.
<https://www.bloomberg.com/news/articles/2021-03-15/china-plans-new-food-trading-giant-with-cofco-merger-and-ipo>.

Alves Pintar, Marcos. 2013. Empresa Pedre Reparação Por Abusos em Operação da PF ‘[Company Asks for Reparation for Abuses in the Federal Police’s Operation]’. *Revista*

Consultor Juridico, 1 April. <https://www.conjur.com.br/2013-abr-01/empresa-reparacao-uniao-abusos-operacao-policia-federal>.

Amin, Samir. 2015. 'Contemporary Imperialism'. *Monthly Review*, 3, 67 (July). <https://monthlyreview.org/2015/07/01/contemporary-imperialism/>.

Andreas, Joel. 2008. 'Changing Colours in China'. *New Left Review*, no. 54: 123–52.

Ang, Yuen Yuen. 2016. *How China Escaped the Poverty Trap*. Ithaca, NY: Cornell University Press.

Apeldoorn, Bastiaan van, Naná de Graaff, and Henk Overbeek. 2012. 'The Reconfiguration of the Global State–Capital Nexus'. *Globalizations* 8 (4): 471–86. <https://doi.org/10.1080/14747731.2012.699915>.

'ADM Annual Report'. 2003. 'Positioning Our Global Franchise'. Report number IL 62525. Archer Daniels Midland Co. Decatur, 28 October. https://www.annualreports.com/HostedData/AnnualReportArchive/a/NYSE_ADM_2003.pdf.

Archer Daniels Midland (ADM). n.d. 'History of ADM, 1980-2016'. Accessed 16 February 2020. <http://www.adm.com/en-US/company/history/Pages/1980-1999.aspx>.

Argentina's Ministry of Agriculture, Livestock and Fisheries (AMALF). n.d. (Online database). Accessed 15 January 2019. <https://datos.magyp.gob.ar/dataset/estimaciones-agricolas>.

Arrighi, Giovanni. 2009. *Adam Smith in Beijing: Lineages of the 21st Century*. London, New York: Verso.

American Soybean Association (ASA). 1999. 'ASA Expresses Support for the National Soybean Checkoff Program'. 9 March. <https://soygrowers.com/news-releases/asa-expresses-support-for-the-national-soybean-checkoff-program/>.

———. n.d. 'History of the American Soybean Association, 1998-1999'. www.soygrowers.com/history/default.htm.

———. n.d. 'Our History'. Accessed 17 February 2020 <https://soygrowers.com/about/history/>.

ASA Today. 1997. 'International Soy Promotion Highlights', no. 3 (4), March.

Au, Loong Yu. 2012. *China's Rise: Strength and Fragility*. London: Merlin Press.

———. 2020. 'No Es Nuestra Lucha [It Is Not Our Struggle]'. Translated by Valenín Huarte. Jacobin.

Bai, Yujie, and Denise Jia. 2022. 'COFCO and Sinograin to Consolidate Overlapping Businesses'. *Caixin*, 10 February. <https://asia.nikkei.com/Spotlight/Caixin/Cofco-and-Sinograin-to-consolidate-overlapping-businesses>.

Baidu Encyclopedia. n.d. 郭彦超 '[Guo Yanchao]'. Accessed 01 April 2019. <https://baike.baidu.com/item/郭彦超/22330634?fr=aladdin>.

———. n.d. 九三粮油工业集团有限公司 '[Jiusan Cereals and Oils Industry Group Co., Ltd.]'. Accessed 16 April 2019. <https://baike.baidu.com/item/九三粮油工业集团有限公司/8680477>.

———. n.d. 路易达孚 '[Louis Dreyfus]'. Accessed 5 December 2019. <https://baike.baidu.com/item/路易达孚/4300840>.

———. n.d. 邵仲毅 '[Shao Zhongyi]'. Accessed 15 March 2020. <https://baike.baidu.com/item/邵仲毅/2760231?fr=aladdin>.

———. n.d. 石克荣 '[Shi Kerong]'. Accessed 13 February 2019. <https://baike.baidu.com/item/石克荣/8532386?fr=aladdin>.

———. n.d. 中国企业 500 强 '[Top 500 Chinese Enterprises]'. Accessed 14 July 2020. <https://baike.baidu.com/item/中国企业500强>.

Barker, Colin. 1991. 'A Note on the Theory of Capitalist States'. In *The State Debate*, Simon Clarke, 204–13. Hampshire: Macmillan.

Barrionuevo, Alexei. 2007. 'To Fortify China, Soybean Harvest Grows in Brazil'. *The New York Times*, 6 April, sec. Business. <https://www.nytimes.com/2007/04/06/business/worldbusiness/06soy.html>.

Baxter, Annie. 2016. 'After Decades of Wariness, China to Grow GMOs'. *Market Place*, 11 August. <https://www.marketplace.org/2016/08/11/china-gmo/>.

BBC. 2013. 'Bo Xilai Found Guilty of Corruption by Chinese Court'. *BBC News*, 22 September. <https://www.bbc.com/news/world-asia-china-24170726>.

Belesky, Paul, and Geoffrey Lawrence. 2019. 'Chinese State Capitalism and Neomercantilism in the Contemporary Food Regime: Contradictions, Continuity and Change'. *The Journal of Peasant Studies* 46 (6): 1119–41. <https://doi.org/10.1080/03066150.2018.1450242>.

Beretta, Silvio, and Giuseppe Iannini. 2014. 'China: A Case of "Mercantilism" in a Backward Country?' *European Scientific Journal*, no. 1: 118–29. <https://doi.org/10.19044/esj.2014.v10n10p%25p>.

- Bernstein, Henry. 2015. 'Some Reflections on Agrarian Change in China: Some Reflections on Agrarian Change in China'. *Journal of Agrarian Change* 15 (3): 454–77. <https://doi.org/10.1111/joac.12116>.
- Bernstein, Thomas P., and Xiaobo Lü. 2000. 'Taxation without Representation: Peasants, the Central and the Local States in Reform China'. *The China Quarterly*, no. 163: 742–63.
- Bielecki, Christopher. 2017. 'Growing Opportunities in China for U.S. Food-Grade Soybeans'. GAIN Report, 25 August.
- Blinder, Alan S. 2013. 'Offshoring: The Next Industrial Revolution?' *Foreign Affairs*, 31 October.
- Bloomberg News. 2022. 'China's Xi Calls on Nations to Cut Global Supply Chain Risks'. 17 January. <https://www.bloomberg.com/news/articles/2022-01-17/china-s-xi-tells-davos-crowd-he-welcomes-foreign-investment>.
- Bonato, G. 2016. 'New Titans on the Block: ABCDs Lose Top Brazil Grains Spot to Asian Rivals'. Reuters, 23 March. <http://www.reuters.com/article/us-brazil-grains-idUSKCN0WP19V>.
- Bramall, Chris. 2007. *The Industrialization of Rural China*. Oxford: Oxford University Press.
- . 2009. *Chinese Economic Development*. London and New York: Routledge.
- Bray, Francesca. 1984. 'Crop Systems (Document Part)'. In *Science and Civilisation in China*, Francesca Bray, 6:423–510. Joseph Needham Series. Cambridge: Cambridge University Press.
- Brenner, Tom. 2019. 'A "Bridge" to China, and Her Family's Business, in the Trump Cabinet'. *The New York Times*, 2 June. <https://www.nytimes.com/2019/06/02/us/politics/elaine-chao-china.html>.
- Breslin, Shaun G. 1996. 'China: Developmental State or Dysfunctional Development?' *Third World Quarterly* 17 (4): 689–706.
- . 2007. *China and the Global Political Economy*. International Political Economy Series. Hampshire: Palgrave Macmillan.
- . 2011. 'The "China Model" and the Global Crisis: From Friedrich List to a Chinese Mode of Governance'. *International Affairs* 87 (6): 1323–43. <https://doi.org/10.1111/j.1468-2346.2011.01039.x>.
- BRIC Agri-Info Consulting. n.d.. 谷物及饲料行业, 终端消费, 猪肉, 产量 '[Grain and Animal Feed Industry, Terminal Consumption, Pork, Yield]' (online database). Last accessed 18 January 2019. <http://www.chinabric.com>.

———. n.d. 谷物及畜牧饲料行业, 终端消费, 禽蛋, 产量 ‘[Grain and Animal Husbandry Feed Industry, Terminal Consumption, Poultry Eggs, Output]’ (online database). Last accessed 18 January 2019. <http://www.chinabric.com>.

———. n.d. 油脂油料行业, 种植业, 大豆, 平衡表 ‘[Oils and Fats Industry, Planting, Soybean, Balance Table]’ (online database). Last accessed 18 January 2019. <http://www.chinabric.com>.

———. n.d. 油脂油料行业, 加工业, 大豆, 大豆压榨产能 ‘[Oils and Fats Industry, Processing Industry, Soybean Oil, Soybean Pressing Capacity]’ (online database). Last accessed 18 January 2019. <http://www.chinabric.com>.

Brown, Lester R. 1994. ‘Who Will Feed China’. *World Watch* 7 (5): 10–19.

———. 1995. *Who Will Feed China?: Wake up Call for a Small Planet*. New York: W.W. Norton & Company.

Brown, Lester R, and Hal Kane. 1994. *Vital Signs 1994: The Trends That Are Shaping Our Future*. New York: W.W. Norton & Company.

Brown-Lima, Carrie, Melissa Cooney, and David Cleary. 2010. ‘An Overview of the Brazil-China Soybean Trade and Its Strategic Implications for Conservation’. *The Nature Conservancy*. <https://www.yumpu.com/en/document/read/42242888/brazil-china-soybean-trade-the-nature-conservancy>.

Bryan, Richard. 1987. ‘The State and the Internationalisation of Capital: An Approach to Analysis’. *Journal of Contemporary Asia* 17 (3): 253–75. <https://doi.org/10.1080/00472338780000191>.

Bu, Xiang, and Yunzhang Jiang. 2010. 九三油脂的困境 ‘[The Dilemma of Jiusan Oils and Fats]’. *Agriculture Economics*, 5 January.

Bunge. n.d. ‘Our History’. Accessed 05 December. <https://www.bunge.com/who-we-are/our-history>.

Callinicos, Alex. 2009. *Imperialism and Global Political Economy*. Cambridge: Polity Press.

Cao, Haidong, and Fengling Guo. 2006. 拯救中国大豆 ‘[Saving Chinese soybeans]’. *Southern Weekly*, 10 August, Sun Shuai edition, sec. Economy.

Cargill China. 2019. 嘉吉中国 50 年历程 ‘[Cargill China 50 years of history]’. Accessed 21 November. <https://www.cargill.com.cn/zh/嘉吉中国 40 年历程>.

Cereals and Oils Processing. 2006. ‘Industry News’, 8 November.

Chamber of Industries of Uruguay. n.d. Informe Anual de Exportaciones de Bienes del Uruguay '[Annual Report on Exports of Goods from Uruguay]'. Accessed 15 January 2021. <https://www.uruguayxxi.gub.uy/pt/>.

Chanjaroen, Chanyaporn, and William Mellor. 2013. 'Billionaire Kuok Says His Empire Can Last 'Generations''. Bloomberg, 31 January. <https://www.bloomberg.com/news/articles/2013-01-31/billionaire-kuok-says-his-empire-can-last-generations->.

Chatham House. n.d. 'Resource Trade'. The Royal Institute of International Affairs (online database). Accessed 10 June 2021.

<https://resourcetrade.earth/?year=2018&importer=156&category=87&units=weight>.

Chen, Hao, and Meg Rithmire. 2020. 'The Rise of the Investor State: State Capital in the Chinese Economy'. *Studies in Comparative International Development*, no. 55: 257–77. <https://doi.org/10.1007/s12116-020-09308-3>.

Chen, Jian. 2015. 中拉农业合作提速 '[Speed Up Agricultural Cooperation between China and Latin America]'. Xinhua News, 23 March. http://www.xinhuanet.com/world/2015-03/23/c_1114722141.htm.

Chen, Junhong. 2018. 赵双连挥别中粮曾主导集团改革‘瘦身’ '[Zhao Shuanglian Bids farewell to COFCO and Once Led the Group's Reform to 'Slim Down']'. NetEase Finance, 9 July.

Chen, Xigen. 1985. 试论上海郊区建立贸工农型生产结构问题 '[On the Establishment of Trade, Industry and Agriculture Type Production Structure in Shanghai Suburbs]'. *Social Sciences Shanghai China*, 30 June.

Chen, Yanpeng. 2014. 田仁礼‘非典型退休’ '[Tian Renli's 'Atypical Retirement']'. *China Times*, 29 May. <https://www.chinatimes.net.cn/article/43003.html>.

———. 2017. 国资委十九大宣讲团首先赴中粮, 释放了什么信号? '[Why COFCO Was the First Public Delegation of the 19th National Congress of the State-Owned Assets Supervision and Administration Commission?]'. *China Times*, 8 November. <http://m.chinatimes.net.cn/article/72058.html>.

Chesnais, François. 2019. 'Financialization and the Impasse of Capitalism'. *The Japanese Political Economy* 45 (1–2): 81–103. <https://doi.org/10.1080/2329194X.2019.1612255>.

'China Agri Interim Report'. 2008. Hong Kong Exchanges and Clearing. China Agri-Industries Holding Limited. Stock code 606. <https://www1.hkexnews.hk/listedco/listconews/sehk/2008/0929/ltm20080929315.pdf>.

‘China Agri Annual Report’. 2009. Hong Kong Exchanges and Clearing. China Agri-Industries Holding Limited. Stock code 606.
http://www3.hkexnews.hk/listedco/listconews/sehk/2009/0424/00606_533011/ewf116.pdf.

‘———’. 2014. Hong Kong Exchanges and Clearing. China Agri-Industries Holding Limited. Stock code 606.
<http://img.chinaagri.com/Uploads/Zlyz/File/2018/08/22/u5b7d14ef1a32e.pdf>.

‘———’. 2017. Hong Kong Exchanges and Clearing. China Agri-Industries Holding Limited. Stock code 606.
<http://img.chinaagri.com/Uploads/Zlyz/File/2018/07/04/u5b3c8aff92687.pdf>.

China Agriculture Yearbook. 2018. Ning Qiwen, Hu Leming. Beijing: China Agriculture Press.

China Daily. 2013. ‘COFCO Gets 30b Yuan Loan from CDB’. 26 February.
http://www.chinadaily.com.cn/business/2013-02/26/content_16259274.htm.

———. 2016. ‘Former Heilongjiang Legislator Stands Trial for Corruption’. 28 July.
https://www.chinadaily.com.cn/china/2016-07/28/content_26257975.htm.

China Economic and Trade Herald. 2002. 中国纺织品进出口总公司 ‘[China National Textile Import and Export Corporation]’, 30 October.

China Edible Oil Information Network. 2014. 传闻九三粮油原总经理田仁礼被调查 ‘[Tian Renli, the Former General Manager of Jiu San Grain and Oil, Might Have Been Investigated]’. 6 December. https://www.oilcn.com/article/2014/12/5_66101.html.

———. 2021. 龙头纷纷扩产, 中国大豆压榨产业重获发展动能 ‘[Leading Companies Have Expanded Production, and China’s Soybean Crushing Industry Has Regained Momentum]’. 23 March.
http://www.feedtrade.com.cn/soybean/soybean_forecast/2065761.html.

China Feed Industry Yearbook. 2006. National Feed Work Office, China Feed Industry Association. Beijing, China: China Business Press.

‘China Grain Yearbook’. 2007. State Grain Administration. Beijing: Economy & Management Publishing House.

‘———’. 2013. State Grain Administration. Beijing: Economy & Management Publishing House.

‘———’. 2015. State Grain Administration. Beijing: China Social Publishing House.

‘———’. 2017. State Grain Administration. Beijing: China Social Press.

‘———’. 2014. Beijing: China Economic Press.

China Merchants Bank. 2010. 中国中纺集团公司 2010 年度第一期中期票据募集说明书 [Prospectus for the 2010 First Phase Medium-Term Notes of China Textile Corporation]. http://pg.jrj.com.cn/acc/CN_DISC/BOND_NT/2010/05/20/103010724_ls_00000000000002Ws1h.pdf.

‘China’s No.1 Central Document’. 2017. Laying down Several Opinions on Deepening Supply-Side Structural Reform in Agriculture and Accelerating the Cultivation of New Growth Engines in Agriculture and Rural Areas. Beijing: China State Council.

China National Tax Administration Bureau. 2013. ‘General Tax Letter’. Document number 183. <https://acc.cn/news/toolbox/1564564767/1537/0/>.

China Securities Regulatory Commission. 2005. 关于同意中国中纺集团公司从事境外期货业务的批复 [Approval of China National Textile Group Corporation to engage in overseas futures business]. Official bulletin no. 176, November.

———. 2001. 关于同意中国化工进出口总公司等七家企业从事境外期货业务的批复 [Approval of Seven Companies Including China National Chemical Import and Export Corporation to Engage in Overseas Futures Business]. Official bulletin no. 31, November.

China State Council. 2004. 国务院推进资本市场改革发展的 9 条意见 [Nine Opinions of the State Council on Promoting the Reform and Development of Capital Market]. Xinhua News, 1 February.

———. 2015. Guiding Opinions of the CPC Central Committee and the State Council on Deepening the Reform of State-Owned Enterprises. Bill number 16.256926.

‘China State-Owned Assets Supervision and Administration Yearbook’. 2004. Beijing: Economic Press.

‘China Yearbook of Agricultural Price Survey’. 2018. Beijing: China Statistics Press.

Chinese Business Leaders’ Hall of Fame. 2015. 丰益国际董事长郭孔丰简介 [Introduction of Kuo Khoon Hong, Chairman of Willmar International]. 28 September.

Chong, Florence. 2003. ‘Remaking Chinatex’. *Asia Today International* 21 (4): 5–7.

Chossudovsky, Michel. 1986. *Towards Capitalist Restoration?: Chinese Socialism After Mao*. Basingstoke: Palgrave.

Chou, Huanguang, Ruijian Chen, Shaopan Liao, and Yaqing Cai. 2013. 中国农业企业‘走出去’的现状, 问题与对策 [China Agricultural Enterprises “Go Global” Situation, Issues and Countermeasures]. *Issues in Agricultural Economy*, no. 11: 34–39.

Clever, Jennifer. 2017. 'China's Strong Demand for Oilseeds Continues to Drive Record Soybean Imports'. Report number CH17032. GAIN Report. USDA Foreign Agricultural Service.

CNN Brazil. 2021. China Aumenta Importação de Soja dos EUA em 320% e Reduz do Brasil '[China Increases Soybean Imports from the US by 320% and Reduces from Brazil]'. 20 April. <https://www.cnnbrasil.com.br/business/2021/04/20/china-aumenta-importacao-de-soja-dos-eua-em-320-e-reduz-do-brasil>.

COFCO. n.d. 'About COFCO' (official website). Accessed 23 September 2018. <http://www.cofco.com/en/AboutCOFCO/>.

COFCO. n.d. 'COFCO Capital' (official website). Accessed 25 September 2018. <http://www.cofco.com/en/BrandProduct/COFCOCapital/>.

COFCO. n.d. 'COFCO, History and Honor' (official website). Accessed 23 September 2018. <http://www.cofco.com/en/AboutCOFCO/HistoryandHonor/>.

COFCO. 2020. 中粮集团成为中国进口俄罗斯大豆的开拓者和主渠道 '[COFCO Becomes a Pioneer and Main Channel for China's Import of Russian Soybeans]' (official website), 2 January. <http://www.cofco.com/cn/News/Allnews/Latest/2020/0102/48392.html>.

'COFCO International Annual Report'. 2005. Hong Kong Exchanges and Clearing. COFCO International Limited. Stock code 0506. <http://www3.hkexnews.hk/listedco/listconews/SEHK/2005/0414/LTN20050414072.HTM>.

'———'. 2006. Hong Kong Exchanges and Clearing. COFCO International Limited. Stock code 0506. <http://www3.hkexnews.hk/listedco/listconews/sehk/2006/1009/ltn20061009022.pdf>.

'COFCO International Interim Report'. 2002. Hong Kong Exchanges and Clearing. COFCO International Limited. Stock code 0506. <https://www1.hkexnews.hk/listedco/listconews/sehk/2002/0909/506/f101.pdf>.

Cofeed. 2019. 2018 年排名前十食用油企业至少用掉了 6600 万吨的进口大豆 '[The Top 10 Vegetable Oil Companies in 2018 Used at Least 66 Million Tons of Imported Soybeans]'. Sohu, 13 January. https://www.sohu.com/a/288702586_100032755.

Colby, Hunter, Xinshen Diao, and Francis Tuan. 2001. 'China's WTO Accession: Conflicts with Domestic Agricultural Policies and Institutions'. In *China's Agriculture in the International Trading System*, 167–84. Organization for Economic Cooperation and Development (OECD).

Collier, Andrew. 2018. *Shadow Banking and the Rise of Capitalism in China*. Hong Kong: Palgrave Macmillan.

- Comunicaffe International. 2015. 'Noble Agri Appoints Matt Jansen as CEO'. (blog). 13 May. <https://www.comunicaffe.com/noble-agri-appoints-matt-jansen-as-ceo/>.
- Crook, F. R., R. Hanson, H. Hsu, B. Karmen, and P. Laney. 1998. 'Soybean Consumption and Trade in China: A Trip Report'. Washington D.C.: USDA Economic Research Service.
- Cui, Jianling, and Shiqi Zeng. 2011. 汇福集团上演 '三级跳' '[Hopefull Group Staged 'Triple Jump']'. *Agricultural Products Market*, no. 40: 14–15, 24 October.
- D'Amato, C. Richard. 2004. *Compilation of Hearings Held Before the U.S.-China Security Review Commission: Fiscal Years 2001-2002*. U.S.-China Economic and Security Review Commission, 2 January.
- Day, Alexander F., and Mindi Schneider. 2018. 'The End of Alternatives? Capitalist Transformation, Rural Activism and the Politics of Possibility in China'. *The Journal of Peasant Studies* 45 (7): 1221–46. <https://doi.org/10.1080/03066150.2017.1386179>.
- Dalian Commodity Exchange (DCE). n.d. 'DCE History'. Accessed 19 February 2020. http://www.dce.com.cn/DCE/About_Us/DCE%20History/index.html.
- Demurger, Sylvie, Jeffrey D Sachs, Wing Thye Woo, Shuming Bao, and Gene Chang. 2002. 'Geography, Economic Policy, and Regional Development in China'. *Center for International Development - Harvard University, Asian Economic Papers* 1 (1): 52.
- Deng, Quanlun. 2011. 中粮鹏利重庆折戟: 66 亩土地涉黑闲置 4 年 '[COFCO Pengli Chongqing: 66 Acres of Land Left Unused for 4 Years Due to Illegal Activities]'. *The Time Weekly*, 2 June.
- Dic, Lo. 2020. 'Towards a Conception of the Systemic Impact of China on Late Development'. *Third World Quarterly* 41 (5): 860–80. <https://doi.org/10.1080/01436597.2020.1723076>.
- Dickson, Bruce J. 2003. *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change*. Cambridge, New York: Cambridge University Press.
- . 2008. *Wealth into Power: The Communist Party's Embrace of China's Private Sector*. Cambridge; New York: Cambridge University Press.
- Ding, Jiping, Jing Huang, and Xiaoping Liu. 2007. 中粮集团有限公司, 2007 年 6 亿元企业债券信用评级分析报告 '[COFCO Corporation Credit Rating Report on 600 Million Yuan Corporate Bond in 2007]'. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-GSZQ0096-2007.pdf>.
- Ding, X. L. 2000. 'The Illicit Asset Stripping of Chinese State Firms'. *The China Journal*, no. 43: 1–28. <https://doi.org/10.2307/2667530>.

Directors & Boards. 2017. 来宝集团: 亚洲贸易巨头衰落 '[Noble Group: The Decline of an Asian Trade Giant]', 15 July.

'Disclosable Transactions Continuing Connected Transactions'. 2009. Hong Kong Exchanges and Clearing. China Agri-Industries Holding Limited. Stock code 606.
<http://www3.hkexnews.hk/listedco/listconews/SEHK/2009/1115/LTN20091115012.pdf>.

Dominy, Suzi Fraser. 2003. 'China: Ambitious Plans for Soy Self-Sufficiency'. *World Grain*, no. 21 (6), June 2003.

Dong, Jun. 2013. 我国严格按照法律法规审批三个转基因大豆新品种: 访农业转基因生物安全委员会副主任委员彭于发 '[China Strictly Approves Three New Genetically Modified Soybean Varieties in Strict Accordance with Laws and Regulations: Interview with Peng Yufa, Deputy Chairman of the Agricultural GMO Safety Committee]'. *Xinhua News*, 14 June.

Dong, Zheng, and Zhe Liu. 2015. 黑龙江北大荒农垦集团总公司, 主体长期信用评级报告 '[Heilongjiang Beidahuang Agricultural Reclamation Group Long-term Credit Rating Report]'. Report number 1169. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0124-QYZT05742-2015.pdf>.

Dong, Zheng, and Yan Shi. 2014. 黑龙江北大荒农垦集团总公司, 跟踪评级公告 '[Tracking and Rating Report of Heilongjiang Beidahuang Agricultural Reclamation Group]'. Report number 1805. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0124-DQZQ1406-GZ2014.pdf>

Donley, Arvin. 2019. 'COFCO Appoints New Company Chairman'. *World Grain*, 22 November. <https://www.world-grain.com/articles/12932-cofco-appoints-new-company-chairman?v=preview>.

Dore, Elizabeth, and John Weeks. 1977. 'Class Alliances and Class Struggle in Peru'. *Latin American Perspectives* 4 (3): 4–17. <https://doi.org/10.1177/0094582X7700400301>.

Du, Haitao. 2018. 南美大豆供给占比已经超过美国 '[The Proportion of Soybean Supply from South America Has Exceeded that from the United States]'. *People's Daily*, 10 July.
<http://jl.people.com.cn/n2/2018/0711/c349771-31802914.html>.

Du, Mingming. 2008. 名人传记(财富人物) '[The Chinese-foreign joint venture first person]'. *VIP of Fortune*, no. 12: 12–14, 15 December.

Du, Runhong. 2006. 掌舵大豆加工航母 缔造中国大豆神话: 记九三油脂集团总经理田仁礼 '[Steering Soybean Processing Aircraft Carrier, Creating Chinese Soybean Myth]'. *Cereals and Oils Processing*, no. 1: 6–8, 08 January.

Escher, Fabiano, John Wilkinson, and Paulo Pereira. 2018. Causas e Implicações dos Investimentos Chineses no Agronegócio Brasileiro '[Causes and Implications of Chinese Investments in Brazilian Agribusiness]'. In *Direction of Chinese Global Investments – Implications for Brazil*, Anna Jaguaribe, 289–336. Brasília: Alexandre de Gusmão Foundation.

European and American Students Association (EASA). 2006. 'Youth Committee in the United States Actively Supports the First "China Textile Capital Forum"'. *Overseas-Educated Scholars*, 16 December.

Evans, Peter B. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.

Food and Agriculture Organization of the United Nations (FAO). 1999. *Poverty Alleviation and Food Security in Asia: Lessons and Challenges*. FAO Regional Office for Asia and the Pacific. Bangkok: RAP Publication. <http://www.fao.org/3/ab981e/ab981e00.htm#Contents>.

FAO Statistics. n.d. 'Crops and Livestock Products'. Food and Agriculture Organization of the United Nations (online database). Accessed 5 February 2022. <https://www.fao.org/faostat/en/#data/QCL>.

Farchy, Jack. 2018a. 'Rags to Riches Tale Ends in Disaster for Noble Group's Richard Elman'. *Bloomberg*, 31 January. <https://www.ndtv.com/business/rags-to-riches-tale-ends-in-disaster-for-noble-groups-richard-samuel-elman-1806640>.

———. 2018b. 'Noble Group Founder Distances Himself from Debt Deal in New Blow'. *Bloomberg*, 23 March. <https://www.bloomberg.com/news/articles/2018-03-23/noble-group-founder-elman-resigned-due-to-differences-with-board>.

Fares, Tomaz Mefano. 2018. 'Why Does China Go Abroad?' (paper presented at the 6th International Conference of the BRICS Initiative for Critical Agrarian Studies, The University of Brasilia, October 2018). <http://conferencias.unb.br/index.php/bicas/bicas/paper/viewFile/14623/2316>.

———. 2019. 'The Rise of State-Transnational Capitalism in the Xi Jinping Era: A Case Study of China's International Expansion in the Soybean Commodity Chain'. *Austrian Journal of Development Studies* 35 (4): 86–108. <https://doi.org/10.20446/jep-2414-3197-35-3-63>.

Farm Produce Market Weekly. 2009. '国新办就农业 60 年发展成就举行发布会 [Press Conference on the Achievements of Agricultural Development in the Past 60 Years]', no. 39: 23–29, 21 September.

Finance.Sina. 2019. 南京银行与路易达孚集团签署战略合作协议 '[Bank of Nanjing and Louis Dreyfus Group Signed a Strategic Cooperation Agreement]'. 4 December. <https://sh.qq.com/a/20191225/030580.htm>.

Financial Times Live. 2015. 'The View from COFCO'. FT Commodities Global Summit. Filmed at Lausanne, Switzerland, 8 May 2015, video, 40:11. <https://www.youtube.com/watch?v=SHNGX5OBTr8>.

Financial Times Live. 2019. 'Meeting Tomorrow's Demand'. FT Commodities Global Summit. Filmed at Lausanne, Switzerland, 23 Apr 2019, video, 19:36. <https://www.youtube.com/watch?v=sgV6fnpsu5I&t=2s>.

Foley, Terrence B. 1983. 'Work with Soybeans and Soyfoods in China (Interview)'. SoyaScan Notes, 12 June.

Fortune. n.d. 'Global 500' (online database). Accessed 13 September 2021. <https://fortune.com/global500/>.

Freitas Jr., Gerson. 2014. Justiça Paulista Decreta Falência da Agreco no Brasil '[São Paulo Justice Decrees Agreco's Bankruptcy in Brazil]'. Valor Econômico, 4 November. <https://valor.globo.com/politica/coluna/tcu-prova-sobrepreco-em-mini-pasadena.ghtml>.

Galbraith, Andrew, and Tom Daly. 2019. China Diz que Reduzirá Freios a Investimentos Estrangeiros, Diz Ministro '[China Says It Will Reduce Curbs on Foreign Investment, Says Minister]'. Reuters, 13 January. <https://www.dci.com.br/mundo/china-diz-que-reduzira-freios-a-investimentos-estrangeiros-diz-ministro-1.772330>.

Gale, Fred. 2013. 'Growth and Evolution in China's Agricultural Support Policies'. Report number ERR-153. Washington D.C.: USDA Economic Research Service. www.ers.usda.gov/publications/err-economic-research-report/err-153.aspx.

———. 2015. 'Development of China's Feed Industry and Demand for Imported Commodities'. Report number FDS-15K-01. Washington D.C.: USDA Economic Research Service. https://www.ers.usda.gov/webdocs/outlooks/36929/55490_fds-15k-01.pdf.

Gale, Fred, Constanza Valdes, and Ash Mark. 2019. 'Interdependence of China, United States, and Brazil in Soybean Trade'. Report number OCS-19F-01. Washington D.C.: USDA Economic Research Service. <https://www.ers.usda.gov/webdocs/outlooks/93390/ocs-19f-01.pdf>.

Gallagher, Mary Elizabeth. 2005. *Contagious Capitalism: Globalization and the Politics of Labor in China*. Princeton: Princeton University Press.

Gao, Yang, and Chaowu Huang. 2012. 风雨同舟四十载 '[Forty Years in the Same Boat]'. Farmers Daily, 11 February.

Gao, Yuyang. 2018. 北大荒变局：三正部坐镇指挥 财政部履行出资人职责 '[Beidahuang Changes: Treasury Department Takes Command]'. Finance.Sina, 18 December. <https://finance.sina.com.cn/chanjing/gsnews/2018-12-18/doc-ihqhqcir7796190.shtml>.

Gaudreau, Matthew. 2019. 'Constructing China's National Food Security: Power, Grain Seed Markets, and the Global Political Economy'. PhD dissertation, Ontario: University of Waterloo. <http://hdl.handle.net/10012/14816>.

Gelder, Jan Willem van. 2007. *Buyers and Financiers of the Wilmar Group*. Amsterdam: Milieudefensie.
http://www.foeeurope.org/sites/default/files/publications/foee_wilmar_palm_oil_financiers_0707.pdf.

General Administration of Customs. n.d. 'Oil and Fats Industry - Crop - Soybeans - Imports (by Country)'. AGDATA, no. 12019010. Accessed 25 December 2018.
<http://toutiao.npcqh.com/dataManual/dataTable/MTY1.html>.

Gill, Bates. 2021. 'Endorsing "Self-Reliance", Beijing Raises the Geopolitical Stakes'. *The Interpreter*, 9 March. <https://www.lowyinstitute.org/the-interpreter/endorsing-self-reliance-beijing-raises-geopolitical-stakes>.

Giraud, Maria Eugenia. 2019. 'Dependent Development in South America: China and the Soybean Nexus'. *Journal of Agrarian Change* 20 (1): 60–76.
<https://doi.org/10.1111/joac.12333>.

Goldberg, Ray A., and Kefei Yang. 2018. 'Transformation of COFCO in a Changing Environment'. Report number: 9-909–403. Cambridge: Harvard University Kennedy School of Government.

Gooch, Elizabeth, and Fred Gale. 2018. 'China's Foreign Agriculture Investments'. Report number: 10.13140/RG.2.2.27445.17123. USDA Economic Research Service.
<http://rgdoi.net/10.13140/RG.2.2.27445.17123>.

Grain. 2016. 'ADM's Offshore Links to Wilmar, World's Worst Environmental Offender'. 7 June. <https://www.grain.org/article/entries/5499-adm-s-offshore-links-to-wilmar-world-s-worst-environmental-offender>.

———. 2011. 'New Agricultural Agreement in Argentina: A Land Grabber's "Instruction Manual"'. *Grain and Oil Market News*. <https://www.grain.org/article/entries/4139-new->

Green, Raúl, and Séverine Hervé. 2006. 'IP - Traceability and Grains Traders: ADM, Bunge, Cargill, Dreyfus'. Report number 2006-03. Laboratoire d'Organisation Industrielle Agro-Alimentaire.

Gu, Hallie Gu, and Dominique Patton. 2018. 'China's COFCO Names Lu Jun New Chairman'. *Reuters*, 9 July. <https://www.reuters.com/article/china-cofco/chinas-cofco-names-lu-jun-new-chairman-idUSB9N1SH000>.

Guo, Fenglin. 2007. 央企整体上市不能“一股风”应“成熟一个上市一个” [The Whole Listing of Central Enterprises Can't "Rush Forward"]'. *China Securities Journal*, 5 March.

- Guo, Jie. 2016. 中国企业在拉美的农业投资: 案例与评析 ‘[Agricultural Investments of Chinese Enterprises in Latin America: Case Analysis]’. Beijing: Chongyang Institute of Finance of Renmin University. http://rdcy.org/index/index/news_cont/id/27666.html.
- . 2017. *China’s Agricultural Engagement with Latin America*. Vol. 6. Beijing: China Social Sciences Press.
- Guo, Qingbao. 2008a. 当前外资在华植物油分布研究 ‘[Research on the Distribution of Vegetable Oil Production Capacity of Foreign Capital in China]’. *China Oils and Fats*, 20 March.
- . 2008b. 解国产大豆困局,扶持食品豆或更有意义 ‘[To Solve the Predicament of Domestic Soybeans, Supporting Food Beans Is More Meaningful]’. *China Oils and Fats*, 30 September.
- . 2010. 2009年: 中国粮油企业的“ABCD”梦 ‘[2009: The “ABCD” Dream of Chinese Grain and Oil Companies]’. *China Oils and Fats*, 9 January.
- Guo, Suzhen. 2017. ‘Practice Research on Futures Price Insurance of Agricultural Products in China’. *Asian Agricultural Research* 9 (5): 28–29. <https://doi.org/10.22004/ag.econ.262798>.
- Guo, Yanchao. 2018. 郭彦超: 走在前面,才可能有机会 ‘[Guo Yanchao: Only by Going Ahead We Can Have a Chance]’. Presented at the 全球贸易新时期油脂油料企业风险管理高端峰会暨大商所-九三集团产业培育基地期现结合论坛 [Dalian Commodity Exchange Summit on Risk Management of Oil and Fat Enterprises in the New Era of Global Trade], Dalian, China, 14 November.
- . 2018. 大宗商品与金融衍生品投资 ‘[Investment in Commodities and Financial Derivatives]’. College of Continuing Education, Graduate School at Shenzhen Tsinghua University. Accessed 31 March 2019. http://edp.sz.tsinghua.edu.cn/teacher_dazong/335.html.
- Guo, Yanchun. 2012. 国产大豆产业链处在崩溃边缘 ‘[The Domestic Soybean Industry Chain is on the Verge of Collapse]’. *China Business Journal*, 25 July.
- Haber, Stephen, ed. 1997. *How Latin America Fell Behind: Essays on the Economic Histories of Brazil and Mexico, 1800-1914*. Stanford: Stanford University Press.
- Hao, Wen. 2018. ‘COFCO Gears Up for CIIE’. State-owned Assets Supervision and Administration Commission of the State Council (official website). 29 October. http://en.sasac.gov.cn/2018/10/29/c_557.htm.
- Hardt, Michael, and Antonio Negri. 2001. *Empire*. Cambridge, Mass.: Harvard University Press.

- Harris, Jerry. 2005. 'Emerging Third World Powers: China, India and Brazil'. *Race & Class* 46 (3): 7–27. <https://doi.org/10.1177/0306396805050014>.
- . 2009. 'Statist Globalization in China, Russia and the Gulf States'. *Science & Society* 73 (1): 6–33. <https://doi.org/10.1163/156914909X423836>.
- Harvey, David. 2005a. *A Brief History of Neoliberalism*. New York: Oxford University Press.
- . 2005b. *The New Imperialism*. Oxford, New York: Oxford University Press.
- . 2011. *The Enigma of Capital: And the Crises of Capitalism*. London: Profile Books.
- . 2018. *Marx, Capital and the Madness of Economic Reason*. New York: Oxford University Press.
- Haumann, Barbara Fitch. 1985. 'Trends of Processing, Consumption Around the World'. *Journal of the American Oil Chemists' Society*, no. 62 (7): 1070–76.
- He, Chunmei. 2012. 赵博雅 中纺模式蜕变 '[Transformation of Zhao Boya's Chinatex Business Model]'. *Talents Magazine*, no. 2: 44–46, 1 February.
- He, Fenghua. 1997. 以实业为立身之本建立高水平的“中纺城” '[Taking Industry as the Foundation to Establish a High Level "Chinatex City"]'. *Journal of International Economic Cooperation*, no 8: 40–41, 20 August.
- He, Wei. 2017. 'China to Create Bigger, Stronger State-Owned Firms'. *China Daily*. 20 October. http://www.chinadaily.com.cn/business/2017-10/20/content_33477206.htm.
- He, Xiaoxu. 2013. 北大荒集团国际化经营问题研究 '[Research on the Problems of Beidahuang Group's International Operation]'. Master's thesis, Harbin: University of Heilongjiang.
- Heartfield, James. 2005. 'China's Comprador Capitalism Is Coming Home'. *Review of Radical Political Economics* 37 (2): 196–214. <https://doi.org/10.1177/0486613404272694>.
- Hirst, Paul Q, Grahame Thompson, and Simon Bromley. 2009. *Globalization in Question*. Cambridge: Polity.
- Ho, Sarah, and Thomas Marois. 2019. 'China's Asset Management Companies as State Spatial-Temporal Strategy'. *The China Quarterly* 239: 728–51. <https://doi.org/10.1017/S0305741019000018>.
- Hopefull Grain and Oil. n.d. 'Profile'. Accessed 24 December 2018. <http://www.hopefull.com.cn/html/qbnxw.html>.

Howell, Jude. 2006. 'Reflections on the Chinese State'. *Development and Change* 37 (2): 273–97.

Hsieh, Chang-Tai, and Zheng (Michael) Song. 2015. 'Grasp the Large, Let Go of the Small: The Transformation of the State Sector in China'. Working Paper number 21006. National Bureau of Economic Research. <https://doi.org/10.3386/w21006>.

Hsu, Hsin-Hui. 2001. 'Policy Changes Continue to Affect China's Oilseeds Trade Mix'. In *China: Agriculture in Transition*, Hsu Hsin-Hui and Fred Gale, 30–36. USDA Economic Research Service. https://www.ers.usda.gov/webdocs/outlooks/40321/31658_wrs012h_002.pdf?v=75.1.

Hu, Junhua. 2011a. 中纺集团拟投资 1.5 亿元参股巴西码头 '[China Textile Group Intends to Invest 150 million Yuan to Participate in the Brazilian Terminal]'. *China Business News*, 5 May.

———. 2011b. 北大荒将赴阿根廷“种地”大豆“金融化”困局难解 '[Beidahuang Goes “Farm” in Argentina Amidst the Dilemma of “Financialization” of Soybean]'. *China Business News*, 4 July.

———. 2016. 前任掌门人锒铛入狱 北大荒冲击世界五百强落空 '[The Former Leader Is Jailed, After Hitting the World's Top 500, Beidahuang Tumbles]'. *China Business News*, 22 December.

Hu, Yan, and Fan Gao. 2012. 黑龙江北大荒农垦集团总公司 2012 年度第一期中期票据信用评级报告 '[Heilongjiang Beidahuang Agricultural Reclamation Group 2012 First Phase Medium-term Notes Credit Rating Report]'. Report number 655. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0124-ZQPJ0490-2011.pdf>.

Hu, Yu. 2004. 中粮集团计划赴巴西种大豆 '[COFCO Plans to Plant Soybeans in Brazil]'. *AgriGoods Herald*, 7 September.

Hu, Zengmin. 2015. 张立伟: 我国贸易融资性大豆进口数量大幅减少 '[Zhang Liwei: My Country's Soybean Trade Financing Has Dropped Significantly]'. *Grain News*, 25 April, sec. Economics & Management.

Huang, Di. 2006. 著名企业家李广富被聘为经济系客座教授 '[Famous entrepreneur Li Guangfu was hired as a visiting professor in the Department of Economics]'. Dalian University of Technology (official website). 23 October. <https://news.dlut.edu.cn/info/1003/1058.htm>.

Huang, Jing, and Xiaoping Liu. 2008. 中粮集团有限公司, 2008 年企业主体长期信用评级分析报告 '[2008 Long-term Credit Rating Analysis Report on the COFCO Group]'. Report

number 084. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0164-QYZT-2008.pdf>.

———. 2010. 中粮集团有限公司跟踪评级报告 ‘[COFCO Corporation, Tracking and Rating Report]’. Report number 041. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0164-DQZQ0477-GZ2010.pdf>.

Huang, Jing, Xiaoping Liu, and Zhibo Li. 2008. 中粮集团有限公司, 2008 年跟踪评级分析报告 ‘[COFCO Corporation, Tracking and Rating Report]’. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-DQZQ0277-GZ2008.pdf>.

Huang, Philip, and Yuan Gao. 2014. 大豆生产和进口的经济逻辑 ‘[The Economic Logic of Soybean Production and Import]’. *Open Times*, no 1: 176–88, 10 January.

Huang, Yasheng. 2005. *Selling China: Foreign Direct Investment during Reform Era*. Cambridge, Mass.: Cambridge University Press.

———. 2008. *Capitalism with Chinese Characteristics*. Cambridge, Mass.: Cambridge University Press.

Huchet, Jean-François. 2006. ‘The Emergence of Capitalism in China: An Historical Perspective and Its Impact on the Political System’. *Social Research* 73 (1): 1–26.
<https://doi.org/hal-02536879>.

Hughes, Jennifer, and Josh Noble. 2014. ‘China Investment Corp Sells Down Noble Stake’. *Financial Times*, 30 September. <https://www.ft.com/content/9718b6ba-4851-11e4-ac9f-00144feab7de>.

Hui, Po-Keung. 1996. ‘Overseas Chinese Business Networks: East Asian Economic Development in Historical Perspective’. PhD dissertation, the State University of New York at Binghamton, Graduate School.

International Bank for Reconstruction and Development (IBRD). 2007. ‘China and The World Bank: A Partnership for Innovation’. Report number 42796. 1 July.
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/823911468241152523/china-and-the-world-bank-a-partnership-for-innovation>.

‘IV. Cargill: Harvest of Profits’. 1975. *NACLA’s Latin America and Empire Report* 9 (7): 21–31. <https://doi.org/10.1080/10714839.1975.11724009>.

Jessop, Bob. 1990. *State Theory: Putting Capitalist States in Their Place*. University Park, Pennsylvania: Pennsylvania State University Press.

———. 2016. ‘Territory, Politics, Governance and Multispatial Metagovernance’. *Territory, Politics, Governance* 4 (1): 8–32. <https://doi.org/10.1080/21622671.2015.1123173>.

- Jiang, Bin, Shujiang Wu, Nan Liu, and Chenxi Song. 2018. 访黑龙江北大荒农垦集团总公司（农垦总局）党委书记、局长、董事长王守聪 ‘[Interview with Wang Shoucong, Secretary of the Party Committee, Director and Chairman of Heilongjiang Beidahuang Agricultural Reclamation Group]’. Heilongjiang Daily, 2 October. <http://epaper.hljnews.cn/hljrb/20181001/383853.html>.
- Jiang, Longfei. 2007. 中国大豆产量锐减致食用豆油价格猛涨 [China’s Soybean Production Plummet, Causing Edible Soybean Oil Prices to Soar]’. CCTV Economic Half Hour. 19 December.
- Jiang, Suwei, and Richard Ferguson. 2015. ‘China’s Agricultural Challenges: Roads to Be Travelled’. PwC Report, October. https://pwc.blogs.com/files/chinas-agricultural-challenges-6-oct_final.pdf
- Jiang, Xinzheng. 2005a. 2005 年中国油脂企业资讯(7) ‘[Information about Chinese Oil and Fat Enterprises in 2005 (7)]’. China Oils and Fats, 30 (8), 20 August.
- . 2005b. 2005 年中国油脂企业资讯(11) ‘[Information about Chinese Oil and Fat Enterprises in 2005 (11)]’. China Oils and Fats, 30 (12), 20 December.
- Jiang, Yunzhang. 2010. 粮油业国进民退隐形大佬中纺显形 ‘[Chinatex: The State Sector Advances Against the Private Economy as an Invisible Gangster]’. The Economic Observer, 2 April. <http://www.eeo.com.cn/2010/0402/166658.shtml>.
- . 2011. 中企海外种粮缺钱 多部委筹备融资新政 ‘[Chinese Companies Are Short of Money for Overseas Agricultural Investment, Many Ministries Prepare for a New Financing Deal]’. Economic Observer, 7 May.
- Jie, Ling. 2003. 华润的金融胃口 ‘[China Resources’ Financial Appetite]’. China Investment, no. 5: 73–75, 15 May.
- Jin, Cheng. 2003. 周明臣: 跨国公司不一定非要自己独资去做 ‘[Zhou Mingchen: Multinational Companies Don’t Have to Do It Alone]’. 21st Century Business Herald, 29 December.
- Jin, Yu. 2015. 农业部: 上市转基因食品都安全 ‘[Ministry of Agriculture of the PRC: All GM Food on the Market Are Safe]’. The Beijing News, 29 August. http://epaper.bjnews.com.cn/html/2015-08/29/content_595937.htm.
- Jiusan. n.d. 发展历程 ‘[Development Trajectory]’ (Jiusan Group official website). Accessed 1 March 2020. <http://93.com.cn/template/zh-cn/nx/about/fazhan.html#sc1>.

Johnson, Chalmers. 1999. 'The Developmental State: Odyssey of a Concept'. In *The Developmental State Reader*, M. Woo-Cummings. Ithaca: Cornell University Press.

'Joint Announcement'. 2001a. Top Glory and China Foods. Hong Kong Exchanges and Clearing Limited, 31 January.
http://webcache.googleusercontent.com/search?q=cache:W3EONS_QgYQJ:www.hkexnews.hk/listedco/listconews/sehk/20010201/ltm20010201024.doc+&cd=1&hl=pt-BR&ct=clnk&gl=uk&client=safari.

'———'. 2001b. Hong Kong, China: Top Glory and China Foods. Hong Kong Exchanges and Clearing Limited, 19 May.
http://www3.hkexnews.hk/listedco/listconews/advancedsearch/search_active_main.aspx.

Journal of the American Oil Chemists' Society. 1987. 'Oilseeds Outlook - Far East Soy Markets'. 64 (3): 308–09, March.

———. 1988. 'China Projects'. 65 (12), December.

Kansas Soybeans Commission. 2012. 'About the Soybean Checkoff'. 8 August 2012.
<https://kansassoybeans.org/about-the-checkoff/>.

Karagiannis, Nikolaos, Moula Cherikh, and Wolfram Elsner. 2021. 'Growth and Development of China: A Developmental State "with Chinese Characteristics"'. *Forum for Social Economics* 50 (3): 257–75. <https://doi.org/10.1080/07360932.2020.1747515>.

King, Michael. 2009. 'The Noble Endeavor: From Asset-Light to Infrastructure Powerhouse, the Noble Group's Transformation Is Yielding Record Returns'. *World Grain* 27 (2): 33-35, February 2009.

Knight, John B. 2014. 'China as a Developmental State'. *The World Economy* 37 (10): 1335–47. <https://doi.org/10.1111/twec.12215>.

Kroeber, Arthur R. 2016. *China's Economy What Everyone Needs to Know*. New York: Oxford University Press.

Kuok, Robert. 2017. 'My Mother and Mao, Singapore Taxes and the Rise of Hong Kong Property: The Robert Kuok Memoirs'. *South China Morning Post*, 24 November, sec. Opinion. <https://www.scmp.com/week-asia/opinion/article/2121123/my-mother-and-mao-singapore-taxes-and-rise-hong-kong-property>.

Kurlantzick, Joshua. 2016. *State Capitalism: How the Return of Statism Is Transforming the World*. New York: Oxford University Press.

Kwan, Chan Wai. 1991. *The Making of Hong Kong Society: Three Studies of Class Formation in Early Hong Kong*. Oxford, New York: Oxford University Press.

- Lan, Lan. 2010. 'Battle of the Beans'. *China Daily*. 23 August. http://www.chinadaily.com.cn/business/2010-08/23/content_11189082.htm.
- Lan, Tu, and Lin Zhang. 2021. 'The New Whole State System: State-Led Financialization, State-Private Fusion, and China's Innovation Policies after 2008'. *Social Science Research Network*, 1–14. <http://dx.doi.org/10.2139/ssrn.3826658>.
- Lardy, Nicholas R. 2019. *The State Strikes Back: The End of Economic Reform in China?* Washington, D.C.: Peterson Institute for International Economics.
- Larson, Donald W, and Norman Rask. 1992. 'Industry Note: Changing Competitiveness in World Soybean Markets'. *Agribusiness: An International Journal* 8 (1): 79–91.
- Li, Bin. 2010. 新卖油郎中纺集团: 大豆压榨加工能力居第三位 '[The New Oil Salesman Chinatex Becomes the Third Largest Soybean Processor]'. *China Business News*, 3 July.
- Li, Hongbin, and Scott Rozelle. 2003. 'Privatizing Rural China: Insider Privatization, Innovative Contracts and the Performance of Township Enterprises'. *The China Quarterly*, no. 176: 981–1005.
- Li, Huiling. 2015. 宁高宁: 自由贸易是粮食安全的唯一解决方法 '[Ning Gaoning: Free Trade Is the Only Solution to Food Security]'. *Caixin*, 21 March. <https://economy.caixin.com/2015-03-21/100793408.html>.
- Li, Ji. 2020. 益海嘉里金龙鱼成功登陆创业板开盘大涨超 90% '[Yihai Kerry Arowana Successfully Listed on ChiNext]'. *China News*, 15 October. <http://www.chinanews.com/business/2020/10-15/9313381.shtml>.
- Li, Jian. 2016. 宁高宁掌舵中粮 11 载发起 50 起并购 子品牌众多业绩平平 '[Ning Gaoning Took the Helm of COFCO in Eleven Years and Launched Fifty Mergers and Acquisitions of Sub-Brands, Many of Which Achieved Average Results]'. *Investor Journal*, 4 January.
- Li, Lei. 2007. 发展大豆产业需更深入利用资本市场 '[The Development of Soybean Industry Requires Deeper Use of Capital Market]'. *Futures Daily*, 28 March.
- Li, Ling. 2019. 'Politics of Anticorruption in China: Paradigm Change of the Party's Disciplinary Regime 2012–2017'. *Journal of Contemporary China* 28 (115): 47–63. <https://doi.org/10.1080/10670564.2018.1497911>.
- Li, Ming, and Xiaoli Yang. 2018. 中粮集团有限公司跟踪评级报告 '[COFCO Corporation, Tracking and Rating Report]'. Report number 1136. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-GSZQ0096-GZ2018.pdf>.

- . 2019. 中粮集团有限公司, 2019 年度第一期中期票据信用评级报告 ‘[COFCO Corporation, 2019 Medium-term credit rating report]’. Report number 3348. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-P11238-2018.pdf>.
- . 2020. 中粮集团有限公司, 2020 年跟踪评级公报 ‘[COFCO Corporation, 2020 Tracking and Rating Report]’. Report number 1918. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-GSZQ0096-GZ2020.pdf>.
- Li, Wenxue. 2013. 黑龙江大豆协会: 转基因大豆油与肿瘤高度相关 ‘[Heilongjiang Soybean Association Said that Imported Soybeans Are Highly Related to Tumours]’. CCTV-4. 21 June, video, 2:01. <http://tv.cctv.com/2013/06/22/VIDE1371862082439927.shtml>.
- Li, Xinhua. 2009. 我国的大豆加工业 ‘[China’s Soybean Processing Industry]’. *Xin Nongye*, no. 1: 11–12, 10 January.
- Li, Yanli. 2018. 中储粮董事长吕军任中粮主帅已第三次接替赵双连 ‘[Lu Jun, Chairman of China Grain Reserves, appointed as COFCO’s chief coach and has replaced Zhao Shuanglian for the third time]’. *Beijing Business Today*, 11 July.
- Li, Zizi. 2019. 嘉吉见证中国经济改革 ‘[Cargill Witnesses China’s Economic Reform]’. *Food Industry*, 84–87, 20 November.
- Liao, Fen. 2020. 四大粮商之路易达孚: 多元扩张与重回主业之间的平衡, 百年粮商变迁史 ‘[Louis Dreyfus: The Balance Between Diversified Expansion and Returning to the Main Business]’. 35 Dou: Future Agricultural Service Platform, 18 May. <http://vcearth.com/p/NTYzNjJhNDAxOGQ4MTU3NDdhNmQ5ZTg0OTIzNzE2Njg=>.
- Liebman, Benjamin L., and Curtis J. Milhaupt, eds. 2015. *Regulating the Visible Hand?: The Institutional Implications of Chinese State Capitalism*. Oxford: Oxford University Press.
- Liew, Leong H. 1995. ‘Gradualism in China’s Economic Reform and the Role for a Strong Central State’. *Journal of Economic Issues* 29 (3): 883–95. <https://www.jstor.org/stable/4226993>.
- Lin, Chun. 2006. *The Transformation of Chinese Socialism*. Durham: Duke University Press.
- . 2012. ‘Marxism and the Politics of Positioning China in World History’. *Inter-Asia Cultural Studies* 13 (3): 438–66. <https://doi.org/10.1080/14649373.2012.689710>.
- . 2021. *Revolution and Counterrevolution in China*. London, New York: Verso.
- Lin, Justin Yifu, and Yang Yao. 2001. ‘Chinese Rural Industrialization in the Context of the East Asian Miracle’. In *Rethinking the East Asian Miracle*, J. E. Stiglitz and S. Yusuf, 143–95. Oxford: Oxford University Press.

- Lin, Li-Wen, and Curtis J. Milhaupt. 2013. 'We Are the (National) Champions: Understanding the Mechanisms of State Capitalism in China'. *Stanford Law Review* 65 (4): 697–759. <https://doi.org/10.2139/ssrn.1952623>.
- Lin, Scott Y. 2017. 'State Capitalism and Chinese Food Security Governance'. *Japanese Journal of Political Science* 18 (1): 106–38. <https://doi.org/10.1017/S1468109916000335>.
- Liu, Hui. 2018. 我国大豆进口多元化格局已经形成 '[China Diversifies Its Soybean Imports]'. *Heilongjiang Grain*, no. 8: 18–19, 25 August.
- Liu, Jun. 2019. 南开大学商学院校友刘军的成长史 '[The History of Liu Jun, Alumni of Nankai University Business School]'. Nankai University (website), 9 December. <https://bs.nankai.edu.cn/2019/1209/c9489a255819/page.htm>.
- Liu, Liliang. 2017. 第二批混改试点央企已批复 7 家 军工、民航、通信行业受关注 '[In the Second Batch of Mixed Reform Pilot Projects, Central Enterprises Have Approved Seven Military, Civil Aviation, and Communications Industries]'. *Xinhua News*, 2 May. http://www.xinhuanet.com//fortune/2017-05/02/c_1120902466.htm.
- Liu, Wanli. 2018. 中粮集团负债 3861 亿, 世界粮油巨无霸何以债台高筑? '[Why Does the World's Grain and Oil Giant COFCO Has a Debt of 386.1 Billion?]'. 26 September. <http://finance.sina.com.cn/chanjing/gsnews/2018-07-26/doc-ihfvkitx2877885.shtml>.
- Liu, Xiaomeng, and Ming Li. 2017a. 跟踪评级公报 '[Chinatex Tracking and Rating Report]'. Report number 1715. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0614-ZQPJ0879-GZ2017.pdf>.
- . 2017b. 跟踪评级公报 '[COFCO Tracking and Rating Report]'. Report number 1277. Beijing, China: China Lianhe Credit Rating Co., Ltd. <http://www.lhratings.com/reports/B0164-GSZQ0096-GZ2017.pdf>.
- Liu, Xiaomeng, and Tian Tian. 2014. 跟踪评级公报 '[COFCO Tracking and Rating Report]'. Report number 789. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-GSZQ0096-GZ2014.pdf>.
- Liu, Yong. 2014. 大豆进口现十年最大规模违约潮 食用豆油价格暂无变动 '[Soybean Import Is the Largest Default Trend in the Past Decade, and the Price of Edible Soybean Oil Has Not Changed Yet]'. *Yangcheng Evening News*, 15 April.
- Liu, Zhe, and Xiao Fang. 2017. 黑龙江北大荒农垦集团总公司, 主体长期信用评级报告 '[Heilongjiang Beidahuang Agricultural Reclamation Group Long-term Credit Rating Report]'. Report number 093. Beijing: China Lianhe Credit Rating Co., Ltd. <http://www.lhratings.com/reports/B0124-QYZT08249-2017.pdf>.

Liu, Zhe, and Ran Liu. 2017. 黑龙江北大荒农垦集团总公司, 2017 年度第一期中期票据信用评级报告 ‘[Heilongjiang Beidahuang Agricultural Reclamation Group, 2017 First Phase Medium-Term Credit Rating Report]’. Report number 094. Credit Rating Mid-Term Report. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0124-P08249-2017.pdf>.

———. 2018. 黑龙江北大荒农垦集团总公司跟踪评级报告 ‘[Heilongjiang Beidahuang Agricultural Reclamation Group Tracking Rating Report]’. Report number 1531. Beijing, China: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0124-ZQPJ05895-GZ2018.pdf>.

Liu, Zhe, and Heng Yang. 2019. 黑龙江北大荒农垦集团总公司跟踪评级报告 ‘[Heilongjiang Beidahuang Agricultural Reclamation Group Tracking Rating Report]’. Report number 2277. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0124-ZQPJ1881-GZ2019.pdf>.

‘Longjiang Bank Annual Report’. 2010. Harbin: Longjiang Bank Corporation. <https://www.lj-bank.com/upfile/soft/report2009.pdf>.

Lopes Ribeiro, Valéria. 2017. ‘The Recent Chinese Expansion and New Determinations of Imperialism in the 21st Century’. *Estudos internacionais* 5 (1): 121–40. <https://doi.org/10.5752/P.2317-773X.2017v5n1p121>.

Louis Dreyfus Group. n.d. 路易达孚在中国 ‘[Louis Dreyfus in China]’. Accessed 02 December 2019. <http://www ldc.com/cn/cn/about-us-2/ldc-china/>.

Lu, Aili. 2013. 2013 年我国进口大豆需求将进一步增长 ‘[China’s Imported Soybean Demand Will Further Increase in 2013]’. *Grain News*, 17 January.

Lu, Hui. 2013. ‘Xi Explains China’s Reform Plan’. *Xinhua News*, 15 November. http://www.china.org.cn/china/third_plenary_session/2013-11/16/content_30619850.htm.

Lu, Jingyu. 2018. 晨曦大搞“投机玩法”: 昔日山东首富如今破产 ‘[Sunrise Engages in the Game of ‘Speculation’: Former Richest Man in Shandong Is Now Bankrupt]’. *China Food*, no. 16: 125-127, 15 August.

Lu, Qian, and Liu Yang. 2015. 中粮集团整体上市无时间表 ‘[COFCO Group Has No Timetable to Be Entirely Listed]’. *People’s Finance*. 19 May. <http://finance.people.com.cn/stock/n/2015/0519/c67815-27021583.html>.

Lu, Xu. 2002. 东北大豆实地考察报告 ‘[Field Investigation Report of North-east Soybean]’. *Xinhua News*, 15 October.

- Ma, Jianping. 2005. 中粮油脂业务发展战略研究 ‘[COFCO Oils and Fats Business Development Strategy Research]’. EMBA dissertation, Beijing: University of International Business and Economics.
- Mao, Zedong. 1926. ‘Analysis of the Classes in Chinese Society’. Selected Works of Mao Tse-tung. Marxist Archives. https://www.marxists.org/reference/archive/mao/selected-works/volume-1/mswv1_1.htm.
- Martuscelli, Danilo Enrico. 2018. ‘Burguesia Interna e Capitalismo Dependente: Uma Reflexão a Partir Dos Casos Argentino e Brasileiro [Internal Bourgeoisie and Dependent Capitalism: An Analysis of the Argentine and Brazilian Cases]’. *Critica Marxista*, no. 47: 55–73.
- McCorriston, Steve, and Donald MacLaren. 2010. ‘The Trade and Welfare Effects of State Trading in China with Reference to COFCO’. *World Economy* 33 (4): 615–32. <https://doi.org/10.1111/j.1467-9701.2009.01237.x>.
- McFarlane, Sarah, Saeed Azhar, Naveen Thukral, and Eveline Danubrata. 2012. ‘Noble Denies Seeking to Sell Agribusiness’. Reuters, 31 October. <https://www.reuters.com/article/noble-agri/update-2-noble-denies-seeking-to-sell-agribusiness-idUSL5E8LVB3U20121031>.
- McKay, Ben, Alberto Alonso, Zoe Brent, Yunan Xu, and Sergio Sauer. 2017. ‘China in Latin America: Towards a New “Consensus” of Resource Control?’ *Third World Thematics: A TWQ Journal* 1 (5): 592–611. <https://doi.org/10.1080/23802014.2016.1344564>.
- McKay, Ben M. 2018. ‘Control Grabbing and Value-Chain Agriculture: BRICS, MICs and Bolivia’s Soy Complex’. *Globalizations* 15 (1): 74–91. <https://doi.org/10.1080/14747731.2017.1374563>.
- McKee, David. 2004. ‘A Transforming of Feed Industry’. *World Grain* 22 (8): 51–56.
- McLarty Associates. n.d. ‘John L. Holden’. Accessed 21 November 2019. <https://maglobal.com/team/john-l-holden/>.
- McMichael, Philip. 2020. ‘Does China’s “Going out” Strategy Prefigure a New Food Regime?’. *The Journal of Peasant Studies* 47 (1): 116–54. <https://doi.org/10.1080/03066150.2019.1693368>.
- McNally, Christopher A. 2013. ‘The Challenge of Refurbished State Capitalism: Implications for the Global Political Economic Order’. *Der Moderne Staat* 6 (1): 33–48. <https://doi.org/10.3224/dms.v6i1.03>.
- . 2019. ‘Theorizing Sino-Capitalism: Implications for the Study of Comparative Capitalisms’. *Contemporary Politics* 25 (3): 313–33. <https://doi.org/10.1080/13569775.2018.1553125>.

- McVey, Ruth, ed. 1992. *Southeast Asian Capitalists*. Ithaca, NY: Cornell University Press.
- Meier, Nicola. 2009. *China – The New Developmental State? An Empirical Analysis of the Automotive Industry*. Frankfurt: Peter Lang.
- Meschi, Pierre-Xavier, and Louis T. W. Cheng. 2007. ‘Do Sino–Foreign Joint Ventures Create Shareholder Value for Chinese Partners’. *International Journal of Business* 12 (3): 325–41.
- Mi, Na. 2010. 食用油企业热盼补贴 ‘[Edible Oil Companies Are Eager for Subsidies]’. *China Business Journal*, 20 December.
- Milhaupt, Curtis J, and Wentong Zheng. 2015a. ‘Beyond Ownership: State Capitalism and the Chinese Firm’. *The Georgetown Law Journal* 103 (3): 665–722.
- Milhaupt, Curtis J., and Wentong Zheng. 2015b. ‘Institutions, Not Ownership’. In *Regulating the Visible Hand?: The Institutional Implications of Chinese State Capitalism*, Benjamin L. Liebman and Curtis J. Milhaupt, 175–201. Oxford: Oxford University Press.
- Ministry of Agriculture and Rural Affairs of the People’s Republic of China (MARA). 2007. 国务院办公厅关于促进油料生产发展的意见 ‘[Opinions of the State Council on the Promotion of Oilseed Crop Production]’. State Office Number 59 [2007]. http://www.gov.cn/zwggk/2007-09/24/content_760094.htm.
- . 2009. 大豆产业发展机制创新试点工作方案 ‘[Plans for Piloting Institutional Innovation for the Development of the Soybean Industry]’.
- . 2020. Opinions of the Ministry of Agriculture and Rural Affairs on Implementing the Plans of the CPC Central Committee and the State Council for Key Agricultural and Rural Work in 2020. State Office Number CLI.4.339298. https://www-pkulaw-com.ezproxy.soas.ac.uk/en_law/84aa3fac4309fd4cbdfb.html?tiao=1&keyword=soybean%20revitalization%20plan.
- . n.d. 一号文件回顾 ‘[Number One Document Review]’ (MARA official website). <http://www.moa.gov.cn/ztzl/jj2021zyyhwy/>.
- Ministry of Finance. 2012. 财政部、海关总署、国家税务总局关于 2012 年度中央储备大豆和食用油轮换免税进口额度的通知 ‘[Notice of the Ministry of Finance, the General Administration of Customs, and the State Administration of Taxation on the Import Quota of Duty-Free Rotating Central Reserve Soybeans and Edible Oil for the Year 2012]’. Code no. CLI.4.199381. 28 December.
- Ministry of Commerce of The People’s Republic of China (MOFCOM). 2016. 中国对外投资合作发展报告 ‘Report on Development of China’s Outward Investment and Economic Cooperation’. <http://fec.mofcom.gov.cn/article/tzhzcj/tzhz/upload/zgdwtzhzfzbg2016.pdf>.

- Morris, Nicky. 2019. 'COFCO Joins Global Agribusiness Blockchain Consortium'. Enterprise blockchain news. Ledger Insights. 20 December. <https://www.ledgerinsights.com/agribusiness-blockchain-consortium-cofco/>.
- Murphy, Sophia, David Burch, and Jennifer Clapp. 2012. 'Cereal Secrets: The World's Largest Commodity Traders and Global Trends in Agriculture'. Oxford: Oxfam Research. https://www-cdn.oxfam.org/s3fs-public/file_attachments/rr-cereal-secrets-grain-traders-agriculture-30082012-en_4.pdf.
- Myers, Margaret, and Jie Guo. 2015. 'China's Agricultural Investment in Latin America: A Critical Assessment'. Inter-American Dialogue Report. The Dialogue - Leadership for the Americas. <https://www.thedialogue.org/analysis/chinas-agricultural-investment-in-latin-america/>.
- National Bureau of Statistics of China. 2009. 改革开放三十年农业统计资料汇编 [Agricultural Statistics in the 30 Years of Reform and Opening Up]. Beijing: China Statistics Press.
- National Development and Reform Commission (NDRC). 2008. 国家粮食安全中长期规划纲要 (2008-2020 年) [The Medium and Long-Term Framework Plan for National Food Security (2008–20)]'. Xinhua News, 13 November.
- . 2018. 全国农产品成本收益资料 [National Agricultural Production Cost and Revenue Information Summary]'. Beijing: National Bureau of Statistics.
- National Grain Administration. 粮食局公布纳入补贴范围的东北大豆压榨企业名单 [Announced the List of North-east Soybean Crushing Enterprises Included in the Subsidy Program]'. 2010. The Central People's Government of the People's Republic of China (official website). Circular no. 1, 14 January. http://www.gov.cn/gzdt/2010-01/14/content_1510223.htm.
- Naughton, Barry. 2006. 'Claiming Profit for the State: SASAC and the Capital Management Budget'. China Leadership Monitor, no. 18: 1–9.
- . 2019a. 'China's Domestic Economy from "Enlivening" to "Steerage"'. In *To Get Rich Is Glorious: Challenges Facing China's Economic Reform and Opening at Forty*, Jacques deLisle and Avery Goldstein, 29–54. Washington, D.C.: Brookings Institution Press.
- . 2019b. 'The Financialisation of the State Sector in China'. In *China's Economic Modernization and Structural Changes: Essays in Honour of John Wong, Yongnian, Zheng and Sarah Y. Tong*, 167–85. Singapore: World Scientific. <https://doi.org/10.1142/11365>.
- Naughton, Barry, and Kellee S. Tsai. 2015. *State Capitalism and the Chinese Economic Miracle*. New York: Cambridge University Press.

Nepstad, Isabel. 2017. 'China's Soy Crushing Industry Impacts on the Global Sustainability Agenda'. *Solidaridad*, 20 June. <https://www.solidaridadnetwork.org/publications/chinas-soy-crushing-industry-impacts-on-global-sustainability-agenda/>.

Ni, Mingya. 2014. "走出去"新政助力多行业出口 [New "Going Out" Policy Helps Multi-Industry Export Overseas and the Speed Up of Mergers and Acquisitions]'. *China Securities Journal*, 11 February. http://www.cs.com.cn/xwzx/hg/201402/t20140211_4302170.html.

Niu, Pengfei. 2018. 进口格局已变中国大豆"崛起" 这些人直接受益 '[Import Pattern Has Changed! China's Soybean "Rise" Benefits These People Directly]'. *Finance.Sina*, 10 September. <http://finance.sina.com.cn/money/future/fmnews/2018-09-10/doc-ihivtsyk8767475.shtml>.

Niu, Shuping, and Faye Wong. 2014. 'Massive Soybean Defaults Loom as China Buyers Play Hard-Ball: Top Buyer'. *Reuters*, 17 April, sec. Business News. <https://www.reuters.com/article/us-china-soybeans-idUSBREA3G0XB20140417>.

Noble Group. 2014. 'Noble Group Closes Deal with COFCO to Establish Agribusiness Joint Venture'. *Asset Acquisitions and Disposals*, 30 September. <https://links.sgx.com/1.0.0/corporate-announcements/V8Z03XKBBCYOTXN9/9adf9a7e264f432c7b270a9c0a26baa302dc7825092978517727178214971229>.

———. 2015. 'Full Yearly Results'. *Financial Statements and Announcements*, 26 February. https://links.sgx.com/FileOpen/Noble%20-%202014%20Final_MDNA.ashx?App=Announcement&FileID=336222.

———. 2016a. 'Circular to Shareholders', 12 January. https://links.sgx.com/FileOpen/Noble%20Group%20Limited_Circular.ashx?App=Prospectus&FileID=27843.

———. 2016b. 'Supplementary Documents to the 2016 Full Year Announcement to Singapore Exchange Limited'. *Financial Statements and Related Announcement*, 31 December. https://links.sgx.com/FileOpen/AFS%202016_Signed.ashx?App=Announcement&FileID=440910.

Nogueira, Isabela. 2015. Políticas de Fomento à Ascensão da China Nas Cadeias de Valor Globais '[Policies to Promote the Ascension of China in Global Value Chains]'. In *China em Transformação: Dimensões Econômicas e Geopolíticas do Desenvolvimento* [China in Transformation: Economic and Geopolitical Dimensions of Development], edited by Cintra, Marcos Antonio Macedo; da Silva Filho, Edison Benedito; Costa Pinto, Eduardo. Rio de Janeiro: Instituto de Pesquisa Econômica Aplicada (IPEA).

- . 2018. Estado e Capital em Uma China com Classes ‘[State and Capital in a China with Classes]’. *Journal of Contemporary Economics* 22 (1): 1–23. <https://www.scielo.br/j/rec/a/Yw5R7FYckMDNF9Nq8pGYZbT/?format=pdf&lang=pt>.
- . 2021. Novos Limites a Grupos Privados na China ‘[New Limits on Private Groups in China]’. Online newspaper. *Valor Econômico*. 23 April. <https://valor.globo.com/opiniao/coluna/novos-limites-a-grupos-privados-na-china.ghtml>.
- Nogueira, Isabela, and Hao Qi. 2018. ‘State and Capitalist Class in China’s Economic Transition: From Great Compromise to Strained Alliance’. *Critical Asian Studies* 51 (4): 558–78. <https://doi.org/10.1080/14672715.2019.1665469>.
- Nolan, Peter. 2002. ‘China and the Global Business Revolution’. *Cambridge Journal of Economics* 26 (1): 119–37. <https://doi.org/10.1093/cje/26.1.119>.
- Oi, Jean C. 1992. ‘Fiscal Reform and the Economic Foundations of Local State Corporatism in China’. *World Politics* 45 (1): 99–126. <https://doi.org/10.2307/2010520>.
- ‘Olam Annual Report’. 2007. *Acquiring New Strengths*. Singapore: Olam International Limited.
- Oliveira, Gustavo. 2015. ‘Chinese and Other Foreign Investments in the Brazilian Soybean Complex’ (paper presented at the 3rd International Conference of the BRICS Initiative for Critical Agrarian Studies, PLAAS, University of the Western Cape, South Africa, April 2015).
- . 2017a. ‘South-South Cooperation? Evaluating Chinese Agribusiness Investments in Brazil from 2003 to 2016’ (paper presented at the 5th International Conference of the BRICS Initiative for Critical Agrarian Studies, RANEP, Moscow, October 2017).
- . 2017b. ‘The South-South Question: Transforming Brazil-China Agroindustrial Partnerships’. PhD dissertation: University of California, Berkeley. <https://escholarship.org/uc/item/1v44x1qs>.
- . 2018a. ‘The Battle of the Beans: How Direct Brazil-China Soybean Trade Was Stillborn in 2004’. *Journal of Latin American Geography* 17 (2): 113–39. <https://doi.org/10.1353/lag.2018.0024>.
- . 2018b. ‘Chinese Finance for Brazilian Agribusiness and Infrastructure: Early Signs of a New Era?’ (paper presented at the 6th International Conference of the BRICS Initiative for Critical Agrarian Studies, The University of Brasilia, October 2018). <https://conferencias.unb.br/index.php/bicas/bicas/paper/view/12873/2368>.
- Ong, Aihwa, and Donald Nonini. 2003. *Ungrounded Empires - The Cultural Politics of Modern Chinese Transnationalism*. New York: Routledge.

Ong, Lynette. 2010. 'Between Developmental and Clientelist States: Local State-Business Relationship in China'. *Comparative Politics* 44 (2): 191–209.
<https://doi.org/10.2307/23211810>.

Pan, Fenghua, Fangzhu Zhang, and Fulong Wu. 2020. 'State-Led Financialization in China: The Case of the Government-Guided Investment Fund'. *The China Quarterly*, no. 247: 749–72. <https://doi.org/10.1017/S0305741020000880>.

Pang, Lijing. 2014. 一场饭局引发的大豆违约风波 '[Soybean Default Caused by a Meal]'. *Economic Observer*. 28 April.

Panitch, Leo, and Sam Gindin. 2004. 'Global Capitalism and American Empire'. *Socialist Register*, no. 40. <https://socialistregister.com/index.php/srv/article/view/5809>.

———. 2009. 'Finance and American Empire'. In *American Empire and the Political Economy of Global Finance*, edited by Leo Panitch and Martijn Konings, 17–47. *International Political Economy Series*. London: Palgrave Macmillan.
https://doi.org/10.1057/9780230227675_2.

Pearson, Margaret, Meg Rithmire, and Kellee S. Tsai. 2020. 'Party-State Capitalism in China'. Working Paper 21–065. Cambridge, MA: Harvard Business School.
https://www.hbs.edu/ris/Publication%20Files/Party-State%20Capitalism%20in%20China%204.16.21_50e84643-faa0-4e84-add0-f0f0d7b4b323.pdf.

Peck, Jamie. 2021. 'On Capitalism's Cusp'. *Area Development and Policy* 6 (1): 1–30.
<https://doi.org/10.1080/23792949.2020.1866996>.

Peng, Junyong. 2016. 中储粮借兼并中储棉扳回一局 央企整合中一度落后中粮 '[Sinograin Merges with China Reserve Cotton, Legging Behind COFCO During the Integration of Central Enterprises]'. *New Financial Observer*, 27 November.

People's Daily. 2001. 'Full Text of Jiang's Message to World Chinese Entrepreneurs Convention'. 17 September.
http://en.people.cn/english/200109/17/eng20010917_80393.html.

People's Government Office of Ju County. 2012. 担当民企责任 创造社会价值—山东晨曦集团发展纪实 '[Taking on the Responsibility of Private Enterprises and Creating Social Value: The Development Record of Shandong Sunrise Group]'. *Shandong Economic Strategy Research*, no. 12: 53–54, 25 December.

Perrone, Nicolás. 2013. 'Restrictions to Foreign Acquisitions of Agricultural Land in Argentina and Brazil'. *Globalizations* 10 (1): 205–209.
<https://doi.org/10.1080/14747731.2013.760946>.

- Petry, Mark, and O'Rear Josh. 2008. 'New Oilseed Industrial Policy 2008'. CH8084. GAIN Report. USDA Foreign Agricultural Service.
<https://apps.fas.usda.gov/gainfiles/200810/146296095.pdf>.
- Poulantzas, Nicos. 1975. *Political Power and Social Classes*. Verso.
- . 1976. *Classes in Contemporary Capitalism*. Translated by David Fernbach. London: NLB.
- . 1978. *State, Power, Socialism*. London: New Left Books.
- Pressinott, Fernanda. 2020. Syngenta Fecha Acordo com Sinograin para Garantir Venda de Soja Argentina à China '[Syngenta Signs Agreement with Sinograin to Ensure Sale of Argentine Soybeans to China]'. *Valor Econômico*. 7 December.
<https://valor.globo.com/agronegocios/noticia/2020/12/07/syngenta-fecha-acordo-com-sinograin-para-garantir-venda-de-soja-argentina-china.ghtml>.
- Qian, Tao. 2015. 大豆进口排行榜新鲜出炉“融资豆”退出舞台 '[“Financial beans” Withdraw from the Stage]'. *Soozhu*, 6 November. <http://www.soozhu.com/article/251782/>.
- Qichacha [Enterprise Investigation]. n.d. (Online database). Last accessed 31 January 2019. <https://www.qichacha.com/>.
- Qu, Zhe. 2010. ADM: 左手饲料 右手粮油 '[ADM: Left-handed Feed, Right-handed Grain and Oil]'. *Agriculture Economics*, no. 1: 73–75, 5 January.
- Ren, Tengfei. 2019. 中粮七十年, 敢为天下先 '[Seventeen Years of COFCO: Dare to Be the First in the World]'. *State-Owned Assets Report*, no. 12: 84–88, 1 December.
- Riveras, Inaê. 2005. 'Investimento Chinês [Chinese Investment]'. *Uol*, 20 January.
<https://noticias.uol.com.br/ultnot/2005/01/20/ult29u38505.jhtm>.
- Robinson, William I. 2004. *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*. Baltimore: Johns Hopkins University Press.
- Robinson, William I., and Jerry Harris. 2000. 'Towards a Global Ruling Class? Globalization and the Transnational Capitalist Class'. *Science & Society* 64 (1): 11–54.
- Rolf, Steven. 2021. *China's Uneven and Combined Development*. London: Palgrave Macmillan.
- Romig, Shane. 2011. 'Argentina Fences Off Land to Foreign Buyers'. *Wall Street Journal*, 23 December, sec. World News.
<https://online.wsj.com/article/SB10001424052970204464404577117072741675152.html>.

Sachs, Jeffrey, and Wing Thye Woo. 1994. 'Structural Factors in the Economic Reforms of China, Eastern Europe, and the Former Soviet Union'. *Economic Policy* 9 (18): 102–45. <https://doi.org/10.2307/1344459>.

Santos, Theotônio dos. 2011. *Imperialismo y Dependencia [Imperialism and Dependency]*. Caracas: Fundacion Biblioteca Ayacucho.

State-owned Assets Supervision and Administration Commission of the State Council (SASAC). 2016. 中粮集团制定“十三五”发展规划 [COFCO Formulates the 13th Five-Year Development]. 22 March. <http://www.sasac.gov.cn/n2588025/n2588124/c3817910/content.html>.

Saul, Jonathan, Gus Trompiz, and Hallie Gu. 2018. 'China's COFCO Makes Painful Cuts in Drive to Lead Global Food Trade'. Reuters, 12 January. <https://www.reuters.com/article/us-china-cofco-strategy-insight/chinas-cofco-makes-painful-cuts-in-drive-to-lead-global-food-trade-idUSKBN1F11FT>.

Schmidhuber, Josef. 2001. 'Changes in China's Agricultural Trade Policy Regime: Impacts on Agricultural Production, Consumption, Prices, and Trade'. In *China's Agriculture in the International Trading System*, 21–52. Organization for Economic Cooperation and Development (OECD). <https://doi.org/10.1787/9789264193000-en>.

Schneider, Mindi. 2014. 'Developing the Meat Grab'. *The Journal of Peasant Studies* 41 (4): 613–33. <https://doi.org/10.1080/03066150.2014.918959>.

———. 2016. 'Dragon Head Enterprises and the State of Agribusiness in China'. *Journal of Agrarian Change* 17 (1): 3–21. <https://doi.org/10.1111/joac.12151>.

Schneider, Mindi, and Shefali Sharma. 2014. 'China's Pork Miracle? Agribusiness and Development in China's Pork Industry'. Institute for Agriculture and Trade Policy (IATP), *Global Meat Complex: The China Series*, 14 February.

Secretary of the Party Committee, Director, and Chairman of Heilongjiang Beidahuang Agricultural Reclamation Group]. *Heilongjiang Daily*, 2 October. <http://epaper.hljnews.cn/hljrb/20181001/383853.html>.

Sender, Henny. 2012. 'Tough Year Ahead for Under-Pressure Noble'. *Financial Times*. 3 January. <https://www.ft.com/content/cfed62c0-35f7-11e1-9f98-00144feabdc0>.

Shanghai Daily. 2015. 'Deputy Head of Heilongjiang Provincial Legislature Expelled from CPC'. 13 February. <https://archive.shine.cn/nation/flies-and-tigers/Deputy-head-of-Heilongjiang-provincial-legislature-expelled-from-CPC/shdaily.shtml>.

Sharma, Shefali. 2014. 'The Need for Feed: China's Demand for Industrialized Meat and Its Impacts'. Institute for Agriculture and Trade Policy (IATP), *Global Meat Complex: The China Series*. 17 February.

Shen, Jian. 2003. 中粮金融帝国之梦 ‘[The Dream of COFCO Financial Empire]’. 21st Century Business Herald, 20 November.

Shen, Jim Huangnan, Lily Lei Fang, and Kent Deng. 2017. ‘State Policy and the Rise of "Red Zaibatsu" in China: Entrenchment and Expansion of Large State-Owned Enterprises during Economic Reforms, 1990-2016’. Economic History Working Papers 75214. London School of Economics and Political Science, Department of Economic History.

Sheppard, David, and Neil Hume. 2016. ‘Commodities: Noble’s House of Woe’. Financial Times, 15 June. <https://www.ft.com/content/f5793f22-3247-11e6-bda0-04585c31b153>.

Shih, Victor C. 2008. *Factions and Finance in China, Elite Conflict and Inflation*. New York: Cambridge University Press.

Shirk, Susan L. 1993. *The Political Logic of Economic Reform in China*. Berkeley: University of California Press.

———. 1996. ‘Internationalization and China’s Economic Reforms’. In *Internationalization and Domestic Politics*, edited by Robert O. Keohane and Helen V. Milner, 186–206. Cambridge: Cambridge University Press.

Shurtleff, William, and Akiko Aoyagi, eds. 2016. *History of Soybean Crushing: Soy Oil and Soybean Meal (1980-2016): Extensively Annotated Bibliography and Sourcebook*. Lafayette: Soyinfo Center.

Shurtleff, William, H. T. Huang, and Akiko Aoyagi, eds. 2014. *History of Soybeans and Soyfoods in China and Taiwan, and in Chinese Cookbooks, Restaurants, and Chinese Work with Soyfoods Outside China (1024 BCE to 2014): Extensively Annotated Bibliography and Sourcebook, Including Manchuria, Hong Kong and Tibet*. Lafayette: Soyinfo Center.

Sigley, Gary. 2007. ‘Chinese Governmentalities: Government, Governance and the Socialist Market Economy’. *Economy and Society* 35 (4): 487–508. <https://doi.org/10.1080/03085140600960773>.

Sinapi, Christine, and Yannick Gagne. 2016. ‘Financialization of Non-Financial Companies: An Insight in the Automotive Sector’. *LIMESplus* 18 (1): 35–60.

Sinograin. 2019. 中储粮集团公司社会责任报告(2016-2018) ‘[Sinograin Social Responsibility Report (2016-2018)]’. <http://www.sinograin.com.cn/userfiles/file/中储粮集团公司社会责任报告（2016-2018）-20190718092755.pdf>.

———. n.d. ‘Development Trajectory’. Accessed 06 April 2020. <http://www.sinograin.com.cn/history.html?navId=50&navPid=9>.

Sklair, Leslie. 2002. *Globalization: Capitalism and Its Alternatives*. New York: Oxford University Press.

- Smith, Norman. 2017. *Empire and Environment in the Making of Manchuria*. Vancouver: UBC Press.
- So, Alvin Y., and Yin-wah Chu. 2010. 'State Neoliberalism: The Chinese Road to Capitalism'. In *Chinese Capitalisms*, edited by Yin-wah Chu, 46–72. International Political Economy Series. London: Palgrave Macmillan.
- . 2012. 'The Transition from Neoliberalism to State Neoliberalism in China at the Turn of the Twenty-First Century'. In *Developmental Politics in Transition: The Neoliberal Era and Beyond*, edited by Kyung-Sup, C., Fine, B., Weiss, L. Basingstoke, 166–87. Basingstoke: Palgrave Macmillan.
- Sohu. 2019. 专访嘉吉中国区总裁刘军: 百年嘉吉的变奏 [Interview with Liu Jun, President of Cargill China: Cargill's trajectory in the Past Century]. 22 January. http://www.sohu.com/a/290758709_100188883.
- Song, Juexia. 2021. 'Some Thoughts on the Pilot and Promotion of "Insurance + Futures"'. *Financial News*, 3 June.
- Song, Xuefen. 2004. 为期市发展做好服务 '[Serve the Development of Futures Market]'. *Futures Daily*, 21 September.
- Soybean Digest. 1987. 'Promotion Keeps Chinese Beans Home', February.
- SPD Bank. 2014. 山东晨曦集团有限公司 2014 年度第一期短期融资券 募集说明书 '[Shandong Sunrise Group, 2014 First Phase Short-term Report]'. Beijing: United Credit Rating Co. http://pg.jrj.com.cn/acc/CN_DISC/BOND_NT/2014/07/07/Is00000000000009ok4u.pdf.
- Standing Committee of the Twelfth People's Congress of Heilongjiang Province. 2016. 黑龙江省食品安全条例 '[Food Safety Regulations of Heilongjiang Province]'. Bill Number 46, CLI.10.1250256. http://www.law-lib.com/law/law_view.asp?id=570391.
- State Administration of Grain (SAG). 2016. 粮油加工业十三五发展规划 '[13th Five-Year Plan for Oilseeds Processing Industry]'. Report number 278. Beijing, approved 26 December 2016, http://www.gov.cn/xinwen/2017-01/03/content_5155835.htm
- Su, Haiyan. 2009. 大豆行业被, 控外资粮商染指中国基层粮库 '[Soybean Industry Accuses Foreign Traders of Encroaching on Chinese Small Producers]'. *The Marketing of Cotton and Jute of China*, 15 July.
- Sublime China Information Database. n.d. (Online Database). Last accessed 22 December 2018. <https://intl.sci99.com>.

- Sun, Yefang. 1985. 关于中国社会及其革命性质的若干理论问题 ‘[Some Theoretical Issues on Chinese Society and the Nature of Revolution]’. Beijing: China Social Sciences Press.
- Sun, Yongxi. 2014. 忽悠也好: 北大荒股份开展“股民走进北大荒”活动侧记 ‘[Sidelights of Beidahuang Stock’s Activity: Developing Shareholders Entering Beidahuang]’. Blog.Sina, 2 September. http://blog.sina.com.cn/s/blog_454b069b0102v1zc.html.
- Suo, Hanxue. 2007a. 中国粮油“双雄”有望掌控国际价格按钮 [“Double Strong” Is Expected to Control the International Price Mechanisms]’. *China Business Journal*, 1 January.
- . 2007b. 大豆协会风云录 ‘[History of the Soybean Association]’. *China Business Journal*, 15 January 2007, sec. Agriculture Economy.
- Tabb, William K. 2009. ‘Globalization Today: At the Borders of Class and State Theory’. *Science & Society* 73 (1): 34–53. <https://doi.org/10.1521/siso.2009.73.1.34>.
- Tang, Qijun. 2018. 国产大豆的市场发展及产业机会 ‘[Market Development and Industrial Opportunities of Domestic Soybean]’. Presentation delivered by the President of the Heilongjiang Soybean Association at the China Agricultural Development Conference held by Sublime China Information, Qing Dao, 14 December.
- Tang, Xiangyang. 2010. ‘Textile Giant Chinatex Leads State-Owned Companies into Grain Sector’. *News & Analysis. The Economic Observer*. 13 May. <http://www.eeo.com.cn/ens/2010/0413/167419.shtml>.
- Tanzer, Andrew. 2018. *Robert Kuok A Memoir*. Singapore: John Beaufoy Publishing.
- Tao, Ran, Fubing Su, Mingxing Liu, and Guangzhong Cao. 2010. ‘Land Leasing and Local Public Finance in China’s Regional Development: Evidence from Prefecture-Level Cities’. *Urban Studies* 47 (10): 2217–36.
- Teng, Tao. 2010. 中国大豆产业链价值提升策略研究 ‘[Research on the Value Enhancement Strategy of China's Soybean Industry]’. Master’s thesis, Dalian: Dalian Maritime University.
- The Economist. 2020. ‘Xi Jinping Is Reinventing State Capitalism. Don’t Underestimate It’. 15 August. <https://www.economist.com/leaders/2020/08/13/xi-jinping-is-reinventing-state-capitalism-dont-underestimate-it>.
- The Global Times. 2016. ‘Former Senior Provincial Legislator Sentenced to 11 Years for Graft’. *The Global Times*. 19 December. <http://www.globaltimes.cn/content/1024584.shtml>.
- The Kuok Group. 2018. ‘About Us’. <https://www.kuokgroup.com/about>.

Thompson, Felix. 2021. 'Covantis Blockchain Platform for Soft Commodities Trade Goes Live'. *Global Trade Review*. 3 March. <https://www.gtreview.com/news/fintech/covantis-blockchain-platform-for-soft-commodities-trade-goes-live/>.

Thukral, Naveen, and Michael Flaherty. 2014. 'China's COFCO to Pay \$1.5 Billion for Stake in Noble's Agribusiness'. *Reuters*, 1 April. <https://www.reuters.com/article/us-noble-group-cofco-idUSBREA3103E20140402>.

Tilzey, Mark. 2018. 'Food Regime Analysis and "Post-Neoliberal" Dynamic: The State-Capital Nexus, China, and the Rise/Demise of "Pink Tide" States in Latin America'. (paper presented at the 6th International Conference of the BRICS Initiative for Critical Agrarian Studies, The University of Brasilia, October 2018). <https://conferencias.unb.br/index.php/bicas/bicas/paper/viewFile/12871/2369>.

Tortajada, Cecilia, and Asit K. Biswas. 2014. 'Dry Reality of Droughts in China'. *China Daily*. 18 August.

Trase. n.d. (Online database). Accessed 23 September 2020. <https://trase.earth>.

Trompiz, Gus. 2021. 'COFCO Hires Banks for Trading Arm IPO Plan: Bloomberg'. *Reuters*, 15 March. <https://www.reuters.com/article/us-cofco-ipo-idUSKBN2B72L2>.

Trompiz, Gus, and Jonathan Saul. 2018. 'COFCO International Names New Grain, Oilseed Heads'. *Reuters (Paris)*, 6 March. <https://www.reuters.com/article/cofco-appointments/cofco-international-names-new-grain-oilseed-heads-idUSP6N1NT03U>.

Trotsky, Leon. 1930. *The History of the Russian Revolution*. Translated by Max Eastman. London: Penguin Classics.

Tsai, Kellee S. 2015. 'The Political Economy of State Capitalism and Shadow Banking in China'. *Issues & Studies* 51 (1): 55–97. <https://doi.org/10.2139/ssrn.2607793>.

Tse, Thomas Kwan-Choi, and John Chi-Kin Lee. 2003. 'China: Defending Socialism with Chinese Characteristics'. In *Citizenship Education and Lifelong Learning: Power and Place*, edited by Michael Williams, Graham Humphrys, 103–18. New York: Nova Science Publishers.

USDA. 2017. 'Oilseeds: World Markets and Trade'. USDA Foreign Agricultural Service.

———. n.d. 'Soybean Explorer'. International Production Assessment Division (online database). Accessed 11 February 2022. https://ipad.fas.usda.gov/cropexplorer/cropview/comm_chartview.aspx?fattributeid=1&cropid=2222000&startrow=1&sel_year=2021&ftypeid=47®ionid=che&cntryid=CHN&nationalGraph=False.

Vergara-Camus, Leandro. 2021. 'The State and Rural Politics'. In *Handbook of Critical Agrarian Studies*, edited by A. Haroon Akram-Lodhi, Kristina Dietz, Bettina Engels, and Ben M. McKay, 469–79. Cheltenham: Edward Elgar.

Vergara-Camus, Leandro, and Cristóbal Kay. 2017. 'Agribusiness, Peasants, Left-Wing Governments, and the State in Latin America: An Overview and Theoretical Reflections'. *Journal of Agrarian Change* 17 (2): 239–57. <https://doi.org/10.1111/joac.12215>.

———. 2018. 'New Agrarian Democracies: The Pink Tide's Lost Opportunity'. In *Rethinking Democracy*, edited by Leo Panitch and Greg Albo, 224–43. London: Merlin Press.

Vogel, Steven K. 2020. 'Neoliberal Ideology and the Myth of the Self-Made Entrepreneur'. Social Science Research Network. <https://doi.org/10.2139/ssrn.3698179>.

Wade, Robert H. 2018. 'The Developmental State: Dead or Alive?: Debate: The Developmental State: Dead or Alive?' *Development and Change* 49 (2): 518–46. <https://doi.org/10.1111/dech.12381>.

Wang, Enhui. 2010. 中国大豆消费现状与展望 'Status of Soybean Consumption in China and Its Prospect'. Information Center of China Feed Industry Association, *China Agricultural Outlook*, no. 5: 33–36, 28 May.

Wang, Fengjun. 2006. 进口大豆冲击波: 外资操控国际大豆的产业链 '[Shock Wave of Imported Soybeans: The International Soybean Production Chain Controlled by Foreign Capital]'. *21st Century Business Herald*. 16 November.

Wang, Gungwu. 1991. *China and the Chinese Overseas*. Singapore: Times Academic Press.

Wang, Hui. 2006. *China's New Order: Society, Politics, and Economy in Transition*. Theodore Hutters. Cambridge, Mass.: Harvard University Press.

Wang, Jia, and Liuyang Dong. 2011. 中国中纺集团公司跟踪评级报告 '[Chinatex Corporation Tracking and Rating Report]'. Report number 592. Beijing: China Lianhe Credit Rating Co.. <http://www.lhratings.com/reports/B0614-ZQPJ0113-GZ2011.pdf>.

Wang, Ke, and Cheng Zhang. 2012. 中粮集团有限公司跟踪评级报告 '[COFCO Group Tracking and Rating Report]'. Report number 002. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-GSZQ0096-GZ2011.pdf>.

Wang, Libin. 2018. 中粮体制再造及混改进入效益收获期 '[COFCO Benefits from Restructuring and Mixed Reforms]'. Chinese Government Net (official website). 16 January. http://www.gov.cn/xinwen/2018-01/16/content_5257252.htm.

- Wang, Ruiyuan. 2006. 我国粮油工业的现状 & 今后发展趋势 ‘[The Current Situation and Future Development Trend of China’s Grain and Oil Industry]’. *Cereals and Oils Processing*, no. 4: 8–12, 1 March.
- Wang, Ruoyi. 2012. 破解油脂产业困局 ‘[Solving the Dilemma of the Oilseed Industry]’. *Agriculture Economics Magazine*, no. 2: 62–65, 5 February.
- Wang, Shaoguang, Hongchuan Wang, and Xing Wei. 2013. 大豆的故事: 资本如何危及人类安全 ‘[The Story of Soybeans: How Capital Endangers Human Security]’. *Open Times*, no. 3: 87–108, 10 May.
- Wang, Xiaofeng, and Shenghai Huang. 2009. 专访黑龙江省大豆协会产业发展部王小语部长 ‘[Interview with Wang Xiaoyu, the Director of Industrial Development Department of Heilongjiang Soybean Association]’. *Guide to Chinese Poultry* 10 (26): 42–44, 20 May.
- Wang, Xiaorun. 2009. 一位民营企业家的发展观 ‘[The Development View of a Private Entrepreneur]’. *Leisure Agriculture and the Beautiful Countryside*, no. 1: 95–97, 1 April.
- Wang, Yedi, and Liuyang Dong. 2015. 中国中纺集团公司, 主体长期信用评级报告 ‘[Chinatex Group, Long-term Credit Rating Report]’. Report number 1481. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0614-QYZT05863-2015.pdf>.
- Wang, Yingyao. 2015. ‘The Rise of the “Shareholding State”: Financialization of Economic Management in China’. *Socio-Economic Review* 13 (3): 603–25. <https://doi.org/10.1093/ser/mwv016>.
- Wang, Yonggang. 2010. 中国油脂油料供求、贸易、政策的现状与前景 ‘[Current Situation and Prospect of Oil and Oil Supply and Demand, Trade and Policy in China]’. *China Oils and Fats*, 15 May.
- Wank, David L. 2001. *Commodifying Communism: Business, Trust, and Politics in a Chinese City*. Cambridge: Cambridge University Press.
- Weber, Isabella. 2018. ‘China and Neoliberalism: Moving Beyond the China Is/Is Not Neoliberal Dichotomy’. In *The SAGE Handbook of Neoliberalism*, edited by Damien Cahill, Melinda Cooper, Martijn Konings, David Primrose, 219–33. Newbury Park, California: SAGE.
- . 2020. ‘Origins of China’s Contested Relation with Neoliberalism: Economics, the World Bank, and Milton Friedman at the Dawn of Reform’. *Global Perspectives* 1 (1): 1–14. <https://doi.org/10.1525/gp.2020.12271>.
- Wei, Sanshui. 2005. 宁高宁脑力激荡 中粮新战略地图凸显 ‘[Ninggaoning’s “Brainstorming” COFCO’s New Strategic Guidelines Highlights]’. *China Business News*, 8 June.

- Weis, Tony. 2007. *The Global Food Economy: The Battle for the Future of Farming*. London, New York: Zed Books.
- Wen, Dale Jiajun. 2008. 'How to Feed China: A Tale of Two Paradigms'. *Third World Resurgence* 212: 30–34.
- Wesz Jr., Valdemar João. 2011. *Dinâmicas e Estratégias das Agroindústrias de Soja no Brasil [Dynamics and Strategies of Soybean Agribusiness in Brazil]*. Rio de Janeiro: E-Papers.
- Wesz Jr., Valdemar João, Fabiano Escher, and Tomaz Mefano Fares. 2021. 'Why and How Is China Reordering the Food Regime? The Brazil-China Soy-Meat Complex and COFCO's Global Strategy in the Southern Cone' 48 (7): 1–29.
<https://doi.org/10.1080/03066150.2021.1986012>.
- Wikipedia. n.d. 'Kuok Khoon Hong'. Accessed 18 December 2019.
https://en.wikipedia.org/w/index.php?title=Kuok_Khoon_Hong&oldid=916080039.
- Wilkinson, John, Valdemar João Wesz Jr., and Anna Rosa Maria Lopane. 2016. 'Brazil and China: The Agribusiness Connection in the Southern Cone Context'. *Third World Thematics: A TWQ Journal* 1 (5): 726–45. <https://doi.org/10.1080/23802014.2016.1259581>.
- Williams, Ann. 2015. 'Noble Appoints China Food Giant COFCO President as Non-Executive Director'. *The Straits Times*, 24 June.
<https://www.straitstimes.com/business/companies-markets/noble-appoints-china-food-giant-cofco-president-as-non-executive-director>.
- Wilmar International. 2017. 'The 25th Anniversary Annual Report 1991-2016'.
https://media-wilmar.todayir.com/20190904142945342533254_en.pdf.
- 'Wilmar International Annual Report'. 2007. Singapore: Wilmar International Limited.
https://wilmar-iframe.todayir.com/attachment/20180813150310358313281_en.pdf.
- '———'. 2008. Singapore: Wilmar International Limited. https://wilmar-iframe.todayir.com/attachment/20180813151706302974939_en.pdf.
- Wittenburg, Bonnie. 1993. 'Archer Daniels Midland Company'. Minneapolis: NYSE–ADM & Dain Bosworth.
- Wong, Christine. 1991. 'The Maoist Model Reconsidered'. In *New Perspectives on the Cultural Revolution*, edited by W. A. Joseph, C. P. W. Wong and D. Zweig, 183–96. Cambridge, Mass.: Harvard University Press.
- Wood, Ellen Meiksins. 2005. *Empire of Capital*. London New York: Verso.
- World Grain. 2006. 'Purchases Soybean Plant in the Port of Nanjing'. *World Grain*, no. 24 (10), October.

———. 2007. ‘Bunge to Build Chinese Soybean Plant; Announces Second Quarter Results’, no. 25 (8), 12 August.

Wu, Jinglian. 2004. *Understanding and Interpreting Chinese Economic Reform*. Mason, OH: South-Western.

Wu, Wendy. 2020. ‘China Calls for “Soybean Industry Alliance” with Strategic Partner Russia’. *South China Morning Post*, 26 August.
<https://www.scmp.com/news/china/diplomacy/article/3098980/china-calls-soybean-industry-alliance-strategic-partner-russia>.

Wu, Yiching. 2005. ‘Rethinking “Capitalist Restoration” in China’. *Monthly Review*, no. 57 (6), 1 November. <https://monthlyreview.org/2005/11/01/rethinking-capitalist-restoration-in-china/>.

Wu, Yihang. 2019. 南京银行与路易达孚集团签署战略合作协议 ‘[Nanjing Bank Signs Strategic Cooperation Agreement with Louis Dreyfus Group]’. *Xinhua News*, 5 December. http://www.sh.xinhuanet.com/2019-12/05/c_138607633.htm.

Wu, Yuan-li. 1980. *Economic Development in Southeast Asia: The Chinese Dimension*. Stanford: Hoover Institution Press.

Xiao, Ke. 2006. 收编中谷粮油: 中粮帝国形成 ‘[Incorporating CGOG: The Formation of COFCO Empire]’. *Entrepreneur Daily*, 28 March.

Xiao, Mai. 2011. 三河市盗过大窃“石克荣”中饱私让 20 个亿! ‘[Sanhe City Robbers (Shi Kerong) Have Pocketed 2 Billion Yuan!]’. 28 January.
<http://bbs.hebei.com.cn/forum.php?mod=viewthread&tid=1538137>.

Xiao, Xue. 2013. 中粮集团有限公司跟踪评级报告 ‘[COFCO Tracking and Rating Report]’. Report number 895. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0164-GSZQ0096-GZ2013.pdf>.

Xiao, Yaqing. 2018. ‘SASAC Chairman’s Answers to Reporters during 2018 Two Sessions’. State-Owned Assets Supervision and Administration Commission of the State Council (official website). 20 July. http://en.sasac.gov.cn/2018/07/20/c_314.htm.

Xing, Li, and Timothy M. Shaw. 2013. ‘The Political Economy of Chinese State Capitalism’. *Journal of China and International Relations* 1 (1): 88–113.
<https://doi.org/10.5278/ojs.jcir.v1i1.218>.

Xu, Can, and Guanxia Huang. 2020. 黑龙江北大荒农垦集团总公司, 2020 年跟踪评级公告 ‘[Beidahuang Agricultural Reclamation Group, 2020 Tracking Rating Report]’. Report number 1663. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0124-ZQPJ1881-GZ2020.pdf>.

- Xu, Can, and Xiaomeng Liu. 2016. 中粮集团有限公司, 2016 年度第一期中期票据信用评级报告 ‘[COFCO Credit Rating Report of the First Phase of Medium Term Notes in 2016]’. Report number 1933. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0164-ZQPJ07280-2016.pdf>.
- Xu, Ding. 2015. 国际大豆“逼仓”拷问中国经济安全 ‘[China’s economic security the threat of international soybean market]’. China Sannon, 30 May.
- Xu, Shanbin. 2016. 商业银行大宗商品国际贸易融资风险控制探究: 以山东省 A 银行为例 ‘[The Study on Risk-prevention for Commercial Bank Bulk Commodity International Trade Finance – A Case Study of an A-rating Bank in Shandong]’. Master’s thesis, Jinan: Shandong University of Finance and Economics.
- Xue, Muqiao. 1983. 中国社会主义经济问题研究 [Research on China’s Socialist Economy]. Beijing: People’s Press.
- Yan. 2019. ‘Geneva-based Chinese Agricultural Trading Giant Names New Chairman’. Xinhua News, 24 November. http://www.xinhuanet.com/english/2019-11/24/c_138578673.htm.
- Yan, Hairong, and Yiyuan Chen. 2015. ‘Agrarian Capitalization without Capitalism? Capitalist Dynamics from Above and Below in China: Capitalist Dynamics from Above and Below in China’. *Journal of Agrarian Change* 15 (3): 366–91. <https://doi.org/10.1111/joac.12121>.
- Yan, Hairong, Yiyuan Chen, and Hok Bun Ku. 2016. ‘China’s Soybean Crisis: The Logic of Modernization and Its Discontents’. *The Journal of Peasant Studies* 43 (2): 373–95. <https://doi.org/10.1080/03066150.2015.1132205>.
- Yang, Baolong. 2018. 杨宝龙: 让大豆再成为中国的骄傲 ‘[Yang Baolong: Let Soybeans Become China’s Pride Again]’. *Heilongjiang Grain*, 25 September.
- Yang, Cindy. 2019. ‘Moody’s: China Agri’s Proposed Privatization Will Have No Material Rating Impact on COFCO HK’. Moody’s Investors Service. 2 December. https://www.moody’s.com/research/Moodys-China-Agris-proposed-privatization-will-have-no-material-rating--PR_414042.
- Yang, Dennis Tao. 1999. ‘Urban-Biased Policies and Rising Income Inequality in China’. *The American Economic Review* 89 (2): 306–10.
- Yang, Xing, Haja Rajaonarison, and Shuji Hisano. 2016. ‘Financialization of Agriculture in China: The Role of Private Equity Firms, Agribusiness Companies and Local Governments’ (paper presented at the 4th International Conference of the BRICS Initiative for Critical Agrarian Studies, China Agricultural University, Beijing, November 2016).

Ye, Jingzhong. 2015. 'Land Transfer and the Pursuit of Agricultural Modernization in China' *Journal of Agrarian Change* 15 (3): 314–337. <https://doi.org/10.1111/joac.12117>.

Ye, Jingzhong, Congzhi He, Juan Liu, Weijing Wang, and Shidong Chen. 2017. 'Left-behind Elderly: Shouldering a Disproportionate Share of Production and Reproduction in Supporting China's Industrial Development'. *The Journal of Peasant Studies* 44 (5): 971–99. <https://doi.org/10.1080/03066150.2016.1186651>.

Ye, Tan. 2018. 央行大放水曾经的大豆王破产到底意味着什么 '[What Does It Mean for the Soybean King to Go Bankrupt]'. *JRJ.com*. 26 July. <http://opinion.jrj.com.cn/2018/07/26075924864916.shtml>.

Yeap, Cindy. 2018. 'Wilmar China IPO Being Seriously "Evaluated"'. *The Edge Markets*, 3 April. <https://www.theedgemarkets.com/article/wilmar-china-ipo-being-seriously-evaluated>.

Yoshikawa, Miho. 2009. 'Marubeni Signs Grain Buying Deal with Sinograin'. *Reuters*, 12 April. <https://in.reuters.com/article/marubeni-idINT2549320090412>.

Yu, Fangping, Yu Liu, Yugang Wang, and Hang Yin. 2020. 'Pricing of "Insurance + Futures" Mode Price Insurance: A Case Study of Corn'. *Management Review* 32 (4): 35–47.

Yu, Fu-Lai Tony. 2019. 'Neo-Mercantilist Policy and China's Rise as a Global Power'. In *Contemporary Issues in International Political Economy*, edited by Fu-Lai Tony Yu and Diana S. Kwan, 175–96. Singapore: Springer.

Yu, Jianbin, and Juan Qiao. 2008. 国际垄断对中国大豆进口影响的实证分析 '[An Empirical Analysis of the Impact of International Monopoly on China's Soybean Imports]'. *Technology Economics* 27 (6): 69–73.

Yu, Keping. 2011. *Democracy Is a Good Thing: Essays on Politics, Society, and Culture in Contemporary China*. The Thornton Center Chinese Thinkers Series. Washington D.C.: Brookings Institution Press.

Yu, Leng, Zhonghai Wang, Yan Fang, Xinkai Zhu, Shiwei Xu, Guicai Liu, Guoxiang Li, et al. 2020. *China Agricultural Outlook (2020-2029)*. Beijing: China Agricultural Science and Technology Press.

Yu, Xubo. 2013. Panel 4 at the CCBC 35th AGM and Policy Conference. Lessons from the C-Suite, October 16, video, 39:09. <https://www.youtube.com/watch?v=Xj0w-iv1tBs&t=1162s>.

———. 2020. 中粮总裁亲述三十年期现结合的风险管理发展历程 '[COFCO President Personally Describes the Development Course of Risk Management in Thirty Years]'. COFCO Qidefeng Risk Management Service Platform. 26 May.

Zhai, Keith, and Stella Yifan Xie. 2021. 'China's Communist Party Goes Back to Basics: Less for the Rich, More for the Poor'. *The Wall Street Journal*. 18 August.
<https://www.wsj.com/articles/chinas-xi-eyes-return-to-communist-party-roots-amid-private-sector-crackdown-11629289611>.

Zhan, Shaohua. 2015. 'From Local State Corporatism to Land Revenue Regime: Urbanization and the Recent Transition of Rural Industry in China: Urbanization and the Transition of Rural Industry in China'. *Journal of Agrarian Change* 15 (3): 413–32.
<https://doi.org/10.1111/joac.12122>.

———. 2017. 'Riding on Self-Sufficiency: Grain Policy and the Rise of Agrarian Capital in China'. *Journal of Rural Studies*, no. 54: 151–61.
<https://doi.org/10.1016/j.jrurstud.2017.06.012>.

Zhang, Cheng, Lingyan Xie, and Xue Xiao. 2013. 中粮集团有限公司, 2013 年度第二期中期票据信用评级报告 '[COFCO Corporation, 2013 Second Phase of Medium-term Credit Rating Report]'. Report number 383. Beijing: China Lianhe Credit Rating Co.
<http://www.lhratings.com/reports/B0164-ZQPJ0791-2013.pdf>.

Zhang, Dongming. 2018. 晨曦集团“陨落” '[The “Fall” of Sunrise Group]'. *Enterprise Observer*, 15 December.

Zhang, Guoliang. 2005. 中谷粮油巨资试水小包装油市场 '[China Grains and Oils Has Invested Heavily in the Small Package Oil Market]'. *China Business News*, 30 May.

Zhang, Haiying. 2015. 北大荒成功“摘星脱帽”重启农业大蓝筹模式 '[Beidahuang Successfully “Pick the Star and Take Off the Hat” to Restart the Agricultural Big Blue Chip Mode]'. *Shanghai Securities Journal*, 7 April.

———. 2018. 期货检验检疫新政下豆二首例期转现交割顺利完成 '[Under the New Policy of Futures Inspection and Quarantine, the First Cash Transfer and Delivery of No. 2 Soybean Was Completed]'. *Finance.Sina*. 1 January.
<http://finance.sina.com.cn/money/future/2018-01-01/doc-ifyqcwqaq6663232.shtml>.

Zhang, Hongzhou. 2018. *Securing the ‘Rice Bowl’: China and Global Food Security*. Singapore: Palgrave Macmillan.

Zhang, Jinjie. 2018. 我国大豆产业是如何一步一步发展成今天的格局的? '[How Did China's Soybean Industry Develop Step by Step into Today's Pattern?]''. *Daily grain and oil*. 22 July.

Zhang, Jun. 1999. 周明臣: 中粮还是小舢舨 '[Zhou Mingchen: COFCO Is Still a Small Sampan]'. *China Entrepreneur*, no. 9: 3–5, 15 September.

Zhang, Mengmeng. 2018. “晨曦”落幕 ‘[The “Sunrise”]’. *China State-owned Enterprise Management*, 15 September.

Zhang, Qian Forrest, and John A. Donaldson. 2008. ‘The Rise of Agrarian Capitalism with Chinese Characteristics: Agricultural Modernization, Agribusiness and Collective Land Rights’. *The China Journal*, no. 60: 25–47. <https://doi.org/10.1086/tcj.60.20647987>.

Zhang, Qian Forrest, Carlos Oya, and Jingzhong Ye. 2015. ‘Bringing Agriculture Back in the Central Place of Agrarian Change in Rural China Studies’. *Journal of Agrarian Change* 15 (3): 299–313. <https://doi.org/10.1111/joac.12115>.

Zhang, Qian Forrest, and Hongping Zeng. 2020. ‘Politically Directed Accumulation in Rural China: The Making of the Agrarian Capitalist Class and the New Agrarian Question of Capital’. *Journal of Agrarian Change* 1 (4): 1–25. <https://doi.org/10.1111/joac.12435>.

Zhang, Xu. 2010. 油企呼吁多方负担高涨成本 ‘[Edible Oil Companies Call for Multi Parties to Bear High Costs]’. *21st Century Business Herald*, 14 December, sec. Company News.

———. 2012. 中储粮失手？重组华粮中粮抢得先机 ‘[Did Sinograin Lose Hualiang’s Reorganisation Race with COFCO?]’. *21st Century Business Herald*, 8 August.

———. 2014. 大豆进口违约潮来袭 多家主要进口商弃货自保 ‘[Soybean Import Breach of Contract Comes, and Many Major Importers Abandon Their Products for Self-Insurance]’. *21st Century Business Herald*, 15 April.

Zhang, Zijing. 2016. 直补政策下国内大豆期货市场作用的解读：以大连商品交易所黄大豆期货为例 ‘[Interpretation of the Role of Domestic Soybean Futures Market under the Direct Subsidy Policy - Taking the Dalian Soybean Futures as an Example]’. *Finance Economy*, 25 January.

Zhao, Binghui. 2017. 中粮利润暴增 112%，有三个被人忽视的收入来源 ‘[COFCO’s Profits Increased 112%, but Three Sources of Income Are Often Neglected]’. *Consumption Daily*, 20 July.

Zhao, Ming, and Xiuguo Liang. 2009. 黑龙江北大荒农业股份有限公司, 主体长期信用评级报告 ‘[Heilongjiang Beidahuang Agriculture Group, Long-term Credit Rating Report]’. Report number 451. Long-term credit rating report. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0070-QYZT-2009.pdf>.

Zhao, Wei. 2015. ‘What Is Capitalism with Chinese Characteristics? Perspective on State, Market, and Society’. In *The BRICS Group in the Spotlight: An Interdisciplinary Approach*, edited by Scaffardi Lucia, 299–327. Napoli: Edizioni Scientifiche Italiane.

Zhao, Yang, and Xin Hu. 2014. 山东晨曦集团有限公司跟踪评级报告 ‘[Shandong Sunrise Group Tracking and Rating Report]’. Report number 1779. Tracking Rating Report. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B1506-DQZQ1464-GZ2014.pdf>.

———. 2015. 山东晨曦集团有限公司跟踪评级报告 ‘[Shandong Sunrise Group Tracking and Rating Report]’ Report number 842. Tracking Rating Report. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B1506-DQZQ1464-GZ2015.pdf>.

Zhao, Ziqian, and Xiaoming Zheng. 2013. ‘The COFCO Group’. Report number TU0044. China Business Case Center. Beijing: Tsinghua University School of Economics and Management.

Zhong, Dawei, and Yedi Wang. 2014. 中国中纺集团公司, 主体长期信用评级报告 ‘[Chinatex Group Long-term Credit Rating]’. Report number 1205. Beijing: China Lianhe Credit Rating Co. <http://www.lhratings.com/reports/B0614-QYZT1568-2014.pdf>.

Zhong, Jianwei, and Chongkun Chen. 2014. 北大荒股票投资价值分析 ‘[An Analysis of the Investment Value of Beidahuang Stocks]’. Xueqi, 31 December. <https://xueqiu.com/1306458268/34709922>.

Zhou, Dewu. 1998. 为增进美中关系尽力: 访美中关系全国委员会新会长何立强 ‘[Doing Our Best to Promote US-China Relations: An Interview with He Liqiang, New President of the National Committee]’. Peoples’ Daily, 12 November.

Zhou, Yi. 2005. 宁高宁和周明臣: 无缝对接? ‘[Ning Gaoning and Zhou Mingchen: seamless connection?]’. China Entrepreneur, no. 1: 34–35, 15 January.

Zhou, Yibin. 2010. 嘉吉:深耕中国的 38 年 ‘[Cargill: 38 years in China]’. Business Watch Magazine, 20 January.

Zhu, Julie, and Yilei Sun. 2021. ‘After \$4.4 Bln New York IPO, Founders of China’s Didi Eye Global Growth’. Reuters, 1 July. <https://www.reuters.com/business/finance/after-44-bln-new-york-ipo-founders-chinas-didi-eye-global-growth-2021-06-30/>.

Zhu, Xihua. 1999. 向国际知名大型跨国企业集团进军, 访中国粮油食品进出口 (集团) 有限公司总裁周明臣 ‘[Marching into a Well-known International Multinational: Interview with Zhou Mingchen, President of China National Cereals, Oils and Foodstuffs Import and Export Group]’. Qizhi Magazine, no. 2: 14–15, 1 February.

Zhuang, Yan. 2009. 外资企业侵蚀我国粮食安全 ‘[Foreign Enterprises Erode China’s Food Security]’. The Communist, no. 5: 53–53, 10 January.

Zweig, David. 1991. ‘Internationalizing China’s Countryside: The Political Economy of Exports from Rural Industry’. The China Quarterly, no. 128: 716–41.