



Groupe de Bruges



FONDATION
CHINA-EUROPA-FORUM

CHINA EUROPA FORUM

WORKSHOP T43c:

What agricultural policies? What contribution of China and Europe in a global agricultural policy?

REPORT

Introduction and background

The Third China Europa Forum took place from 12 to 14 July 2010 at the Polytechnic University in Hong Kong. There the European and Chinese participants of some 60 workshops gathered to discuss the outcomes and to formulate common future actions. The results of the forum can be read at www.china-europa-forum.net

Preceding the Forum the workshops met. For the workshops T43c: What agricultural policies? What contribution of China and Europe in a global agricultural policy? Five members of the Groupe de Bruges formed the European delegation: Franco Sotte, Zdenek Linhart, Charalambos Klasimis, Edwin Hecker and Bart Soldaat.

Our Chinese counterparts and hosts were research and teaching staff from the School of Agricultural Economics and Rural Development, Renmin University of China, Beijing, led by professor Tiejun WEN. Professor Zheng Fengtian chaired the workshop that was held at the premises of the School. Professor Chuanbo CHEN was the moderator.

Beforehand agreement was reached on the general outlines and programme of the workshop, that was held 8 and 9 July

As the delegation arrived some days before the workshop was held, we had the opportunity to make some visits accompanied by two female students, Wang YU and Juanjuan ZHANG.

We had the opportunity to visit the main wholesale market for primarily food production in Beijing, a crucial hub in the logistics of providing a population of over estimated 17 million inhabitants with fruit, vegetables, rice and meat on a daily basis. We also were lucky to visit two agricultural enterprises in the rural areas near Beijing. One was a multifunctional family farm. The farm is about 2 ha and mainly for fruit and vegetable production in combination with some poultry and pigs. The farm had invested heavily in creating a number of luxury apartments for city people. They also were planning to realise a restaurant. There is a huge risk involved in these investments as they do not own the land and can only rent it for a maximum of 30 years. After the lease expires and not renewed they run the risk of losing all investments without being able to claim compensations for the losses.

The second farm was a state project on multifunctional farming, as this type of farming has become part of official state policy. The project, Little Donkey Farm, www.littledonkeyfarm.com/En/index.aspx is the first CSA (Community Supported Agriculture) farm in the Beijing area, led by miss Yan SHI, member of the staff of the School of Agriculture and Rural Development.

The farm produces mainly vegetables, chickens and pigs. People can become member in different ways: they can order products that are delivered at their doorstep for an annual fee of 2,000 – 4,000 RMB (€ 200 – 400). They can pick the product up at the farm for 1,440 – 2,800 RMB per year. They can also rent a plot of land, 30-60 square meters to grow their own vegetables. Finally they can help on the farm. The farm also organise some lessons, teaching citizens to take care of the vegetables and the environment with effective techniques, helping them plant better in their own land.

Workshop proceedings

Present at the workshop were some 20 people. From the Chinese besides staff of the University their were also representatives of other stakeholders: from the Ministry of Agriculture, regions, municipalities and agro-industry. There was also a representative of CCTV channel 7 who developed a series on rural migrants.

The Groupe de Bruges delegation had all prepared presentations on specific topics:

- Franco Sotte gave a presentation on the CAP
- Zdenek Linhart explained the multifunctionality of agriculture with special focus on bio-fuels and GHG emissions
- Charalambos Kasimis showed the developments in rural migration in Europe, both internal and external
- Edwin Hecker gave details on the Future of Food initiative his company is involved in, entailing a series of conferences/workshop
- Bart Soldaat presented the Dutch agricultural model in relation to trade policy and agricultural development.
- On request by the Chinese Franco Sotte prepared an impromptu but excellent presentation on the financial and economic crisis in Europe.

Als presentations can be downloaded from the special Forum webpage of the Groupe de Bruges, www.groupedebruges.eu/LibraryCEF.html

Professor Zheng opened the workshop sessions by giving a short presentation on China's agricultural policy. He explained that policy focusses on three dimensions: agricultural production, rural areas (including villages) and peasants. More than half of China's population lives in rural areas and most of them are low income. A part from the big and growing differences between city and countryside is the differences in regions from East to West.

China has therefore recently developed the New Rural Development Strategy to increase state investments in rural areas and to improve integration between rural areas and cities.

Part of this Strategy is a relaxation of the former prohibition of rural people to move to the cities. Now they can, but professor Zheng pointed out there are still special rules to restrict peasants from moving to the cities. The major rule being that they are not recognized as city inhabitants and therefore can not make use of the social services.

As major challenges Zheng defined:

- Giving peasants incentives to produce safe food
- Legalisation of rural migrants
- Increase income of peasants so they feel less need to move to the cities
- Curbing environmental pollution caused by agriculture through the use of chemical fertilizers and pesticides.

During the worksop session various Chinese participants made introductions on a wide range of topics:

- Food security and sustainable production: only 7% of China's land mass is suitable for food production and has to deal with urban pressure, increasing damage form natural disasters (flooding, droughts, earthquakes) and pollution. Farm structure is still underdeveloped with an average farm size of about 1 hectare, and only 30% of farmland under irrigation.
- China, like Europe, is also dependent on food imports, especially soy beans, although the difference is that in Europe soy is mainly for animal feed and in China for direct human consumption. Nonetheless these soy imports could mean a common item for the workshop when discussing global agricultural policy. Also the fact that most imported soy is from GMO origin also causes hot debates in China.
- There is still a lack of a good general infrastructure (roads, railroads, ICT) and the specific infrastructure to give farmers the right incentives, to introduce new technologies and to offer farmers education and technical assistance
- The role of local and regional governments vis à vis central government: local and regional governments complain that they are increasingly burdened by new tasks without being able to get the means to execute these tasks properly. This is especially the case in regions were agriculture is important as the budget that regions get from the central government is based on contribution to GDP.
- Multifunctional agriculture has become now an official policy, but in China multifunctionality is strongly linked to societal stability and the question of rural migration: how to raise incomes of farmers and to diversify the rural economy to prevent people from moving to the cities? How to take care of rural migrants to return to their rural areas when they lose their job or grow too old to work? How to

improve agriculture when it is in most cases the young men that are moving to the cities?

- Nevertheless there are a growing number of initiatives to create multifunctional farms following the European and American models to include both farmers and consumers in new sustainable ways of production and marketing.
- Migrant workers remain therefore one of the main items. Research by CCTV7 has shown that the new generation of migrant workers are different, they are better educated and are more ambitious. Important fact is also that most migrant workers save money from their on average low income to send back home.
- In Europe, by comparison, in some rural areas people are moving in from the cities, mostly retired people, while the young, in particular from the new member states, move to the cities or to other EU countries. Lack of rural labour is resolved by hiring migrant workers from outside the EU.
- One presentation addressed the Chinese forestry policy. At EU level there is hardly a specific forestry policy while 35% of the EU is forests. In China the aim is to stop deforestation and implement new forestation programmes to stop land degradation and for carbon sequestration. While forest coverage has increased timber stocking has decreased. The world market for certified wood is increasing, but the costs are too high. This would be an item for a common EU-China approach as well as to combat illegal logging (also a problem in Europe) and illegal trade.

Unfortunately professor Wen was only able to participate briefly at the workshops on the second day, because of other pressing engagements. During his presence he made an intervention based on his extensive travels to Europe, North and South America. He specifically expressed his views on the way Europe was dealing with the financial and economic crisis. In his opinion the crucial flaw of the European Union is that the member states had transferred economic power to the Union, but had kept the political power. This has proven the main obstacle for a quick and adequate response to the crisis. Professor Wen was therefore pessimistic about Europe's future.

Concerning agriculture he had come to the conclusion that there exist three models of agricultural development in the world:

1. the model of colonisation, a system based on big farms and unsustainable production methods, used in for example Brazil and Canada
2. the European model, based on subsidies and increasingly on ecological principles, caused by the strong presence of NGO's .
3. the new Chinese model based on multifunctional agriculture, peasant rights and village development, an comprehensive approach to both agricultural and rural development.

Main conclusions

- the variety of topics that have been addressed shows that we have to consider agricultural and rural development from all levels, from local to global and vice versa. It's important in this context to start from the daily practice, where it all comes together
- despite the differences between Europe and China in history, cultural, economical and political background a process of convergence can be witnessed: both are operating in a context of global economy and sustainability issues.

- There is a mutual need to come to an integration of policies, both cross-sectoral and between different levels of governance, from local to global
- Concerning sustainability we can look more into international standards like integrating GlobalGAP as a global sustainability baseline into WTO agreements and UN/FAO policy. At local level, again, we can exchange best practices on sustainable practices and certification systems (food safety, food quality)
- On the subject of migration there is a difference in developments and policy, but we can look more into the position of rural migrants and the effects of the crisis on them, but also their potential positive role in rural development
- There is on both sides a strong need to improve conditions for rural entrepreneurship as a basis to diversify the rural economy and to keep the countryside viable, both economically and socially. Concerning the role of agriculture we have to realise its inherent and inescapable multifunctional character
- Also, the ways to create a multi stakeholder approach at local/regional level to improve rural development policies should be studied more, e.g. the example of LEADER in Europe

Actions for the future

- to set up a (digital) platform for the further exchange of scientific and other relevant information on experiences, case studies and best practices, especially concerning multifunctionality of agriculture and rural areas and concerning biofuels and GHG emissions and subsequent policy implications
- the last point is also something to bring together to the global level (WTO, UN)
- also the international trade in soy beans and oilseeds is a good subject for further common research
- finally, exchange visits, both at the level of students and university staff as well as for other stakeholders is very useful. We should try at the next forum in Europe, and possibly before, to organise such a visit for Chinese stakeholders in Europe

Annex 1: output of the workshop following the Forum's methodology (simple grill)

Output 1: the contributions of the workshop's conclusions

Step 1: identification of key issues

1. A multipolar versus an unipolar world, free trade versus regional trade policies: what are the best conditions for geo-political balance and mutual respect for a thriving global community?
2. How does the financial and economic crisis affect agriculture? How do the European and Chinese agricultural policies react? What are good policies to anticipate or remedy these crises and at what level of governance?
3. How can food security be obtained and improved and at the same time a sustainable management of resources be secured? What are good practices? What policies to find a balance?
4. Agriculture and rural development are connected by definition. What can we compare between Europe and China? How can we differentiate and integrate policy at different levels to accommodate the multifunctional role of different types of rural areas and agriculture? What are examples of best practices?
5. The exodus from the rural areas both in China and Europe to the cities leads to a negative attitude of citizens towards agriculture and rural areas and a disconnection between cities and rural areas and between food production and food consumption. How can citizens be connected to agriculture and rural areas? Should rural development and food policies start in the cities?

Step 2: identification of the most relevant experiences

1. Community Support Agriculture project of Renmin University: reconnection of citizens to sustainable agricultural production and consumption
2. Case studies of rural migration from Chinese countryside to the cities compared to the rural migration in the 27 Member States of the European Union and increasing global migration; the effects of the economic crisis on rural migration: 20 million migrant workers in China unemployed and returning to the countryside, in Europe separation between migrant workers from other EU member states that return home and migrant workers from outside that stay, but send less money back home
3. case of biofuels: comparison of Green House Gas emissions between different types of bio-fuel technologies and how this relates to sustainability criteria
4. case of agro-forestry policy in China: the beneficial effects of agro-forestry on sustainability and bio diversity. The need to combat illegal logging and trade
5. the case of development of China dairy industry after the milk scandal of 2008: focus on food safety and added value products

Step 3: perspectives for the future

1. Improve position and rights of rural migrant workers

2. diversification of the rural economy: not only agriculture, but use of all multifunctional potential, both in private services (e.g. tourism) and public services (bio diversity, education)
3. Involvement of all stakeholders to develop a common vision and include them in implementation
4. Search for substitutes of soy bean imports will contribute to improvement of reduction of CO2 and loss of colonised forests
5. Common strategy to develop or improve GHG performance of bio fuels

Step 4: projects of action

1. Create a common communication platform between European and Chinese participants
2. Create a common database for research data and best practices on multifunctionality of agriculture, sustainable rural development, rural migration, land use and accompanying policies
3. Develop a common research project on baseline criteria of sustainability in international trade, taking Global GAP as a starting point, to come to a more level playing field
4. Develop a common research project on assessing and improving GHG emissions performance of biofuels

Output 2: the contributions to the common challenges

Challenge 1: corresponding strategies to harmonious society and sustainable development

1. integrate policies, both cross-sectoral and between different levels of government
2. policies to decrease income disparities between rural and urban areas and between different regions of China and Europe (ref. Cohesion policy of the EU)
3. creation of a global sustainability baseline for international trade

Challenge 2: corresponding strategies to values, openness, modernity, identity

1. equal rights for rural and urban population, in particular migrant workers
2. equal treatment of rural and urban areas
3. definition of goals and objectives on central level should leave room for adaptation to local conditions and diversity of local culture
4. most of all: create of platform for continuous communication and exchange of information, experiences and practices

Challenge 3: corresponding strategies to participatory and integrated governance

1. policy implementation through multi stakeholder approach
2. integration of policies for urban and rural development
3. integration of policies for trade and sustainability

Challenge 4: corresponding strategies to the role of China and Europe in the world

1. in WTO act both for integration of sustainability criteria in free trade agreements
2. act for integration of WTO and UN (Millenium Development Goals), also to develop a better global strategy to prevent and combate financial and economic crises