

## WT34 – The future of rural areas in China and Europe

### Session 1

#### The Chinese vision

- Huge and increasing income gap between rural areas and urban areas -> huge challenge; survey, rural income is only half of the one in urban areas
- How china is going to absorb the excess of labour force is still an open issue
- Increasing income differences between rural and urban areas
- Survey, rural income is only half of the one in urban areas
- Great income differences between east and west China
- Consider the production of farmers - increase number of commercial intermediaries
- No great impact from taxation < 2005; changes introduced in favor to rural areas > 2005. there are two methods: 1. great impact on government incomes if ag. taxes are removed 2. government controls the product prices, but now the control is very limited, only for rice and wheat.
- Bottom price for few products (wheat, rice) and nothing else regarding the regulation of food products prices
- Increasing gap even favourable policies
- Environmental problem in north-west China
- Chemical and fertilisation cause water problems -> Agricultural pollution in China is above world average rate
- Agricultural pollution in China is above world average rate
- Pollution from rural industries (pesticides, etc...)
- Uneven urbanisation -> environmental threats

- Psychological problems for rural children whose parents went to work to a city
- No jobs if they are graduated from low quality universities;
- Many reforms on rural education are undertaken by the NGOs
- Cooperative system cancelled: new rural market-based policies (i.e. financing, facilities, subsidies, etc...)
- Many bottom-up problems (communication problems from lower to higher level)
- Rural migrants work in cities but go back if problems (i.e. health, unemployment, etc...) ->130m migrant workers live in unstable conditions
- No fit-for-all model (modernise or family farms) for all areas
- Sometimes the more peasant make efforts to modernize the more they have problems (should not be generalized)
- Problem 1: farmers have no more money to invest if farmers' children are sent to schools
- The model (modernisation or status-quo) that should be used depends on local conditions
- Market uncertainty -> no incentives to invest/modernise; there is no general model
- Different expectations between young and old farmers
- Parents cannot pay their children education as there are less schools in rural areas and if they move to city they have to pay high tuition fee
- Cooperatives today in China are not like those in the 50s, they are now much more specialised (eg distribution,...)
- Decision-makers want both flexibility and uniformed rules, this issue is not specific to China but to whole world.
- Policies should be applied without discrimination
- Lack of cooperatives and lack of employees makes the policy implementations difficult
- No Contradiction for attracting of working/migrant back to their village, they have certainly kept in mind their returning-home spirit
- The objective of rural policies can be how to maintain the rural labours, to help people return to hometown, and help the aged immigrated rural labour in the city. And we can regard the rural areas as the reserve of the city, to fine-tune the mobility between

urban and rural areas.

- “Three aspects related to rural” (they are farmer, agriculture, and rural, which include part of the rural policies. The policies normally are designed by the central government and implemented by the local. The objective is to decrease the difference between rural and urban and stabilize rural areas (and avoid turmoils).
- Now one of the objectives of rural policies is to build new farm system in China.
- The future development of rural area should be decided by the demand of society and resources of local regions. Sure, the agriculture is still the major industry in China, but for some countryside which has abundant resources, it is also possible to develop tourist or other industries. To realize the sustainable development, the local governors should revise their appreciation index, not limited in GDP.
- The development of agriculture is very important for China rural future. Industrialisation can not totally solve the urbanisation problem. Because the rural populations is large, the environment can not burden the industrialization in rural regions.
- The macro-economic background of new farm policy in China is to change the current situation that China Economic growth mainly depends on exports and investment. By investing the public budget in rural small project, we can increase the consuming demand of the rural area.
- The core of the new farm policy is use public finance to help rural areas (whereas before things were left there to the market alone).
- We should improve the environment and try to find the method to compensate or reserve the environment.
- 1) Multiple purpose of building socialism new countryside 2) “Labour pool” vs continuing urbanisation
- Parents believe that even if children follow higher education they will get no job because of their rural/ farmer origins

## **The European questions addressed to Chinese**

- How can we have a fairer trade in a globalisation context (globalisation means inequalities within and across borders). If trade allows that, when nature and people are treated worst, then products are cheaper; that would always undermine efforts to improve policies favourable to environment and people. One possibility for fairer trade is ‘qualified market access’ (= under conditions).

- What kind of agricultural model should be developed ? industrial or family-farming?
- Will mecanisation improve farmers production in all cases?
- Should farmers leave rural areas or develop their own business locally?
- How to integrate rural economy into general economy (involving non-farmers)?
- Do city fringes experience both rural and urban economies together?
- How should increasing information be dealt with?
- What about logistics in agricultural production and marketing?
- How to increase farmers incomes?
- What about the ageing problems of farmers ?
- How to absorb the excess labour in rural areas?
- Will food market logistics problems solve by themselves?
- Which criteria for choosing the different rural policies ? how should we judge them ?
- What is the situation of agricultural cooperatives, do they play an important role ?
- WTO: what can be done and what not in terms of subsidies ?
- What values ? i.e. scandinavia promotes equal rights and other regions have other values -> diversities in values
- Is there a contradiction between the policy objective of improving of living standards ... in rural areas and the wish to hold population in rural areas as a “reservoir” of labour for urban industry ?
- Ownership for the cooperative farmers?
- Are subsidies increasing land prices and rigidity of land use ?
- If the future of rural China is not agriculture, what are the promising sectors?
- Which measures are taken to raise productivity by making sustainable use of water, soil, biodiversity, organic treasures ?
- Environmental problems: what are the more relevant environmental problems provoked by farming activity?

- General questions :
  1. Are there rural policies in China?
  2. what are processes or scope of these rural policies ?
  3. what outcomes do these rural policies want to reach ?

## WT34 – The future of rural areas in China and Europe Session 2

### The European vision

- Rural challenges are more than agricultural challenges alone
- Regarding top-down influences, what matter most is: Farm/food production, urban-based economies of scale, application of policy, grouping of elite people who are at the center and well-informed, managing change (through control, regulations).
- Regarding bottom-up influences, what matter most is: solidarity, culture, tradition, care for local opinions, lobbying, breadth of opportunities that exist in rural areas, grouping various people along common issues, inclusive actions
- How we connect both top-down and bottom-up dynamics? « Sustainable rural communities » may be the bridge. Exploring new urban-rural relationships potentials. Share knowledge among elites and citizens. A big challenge is the issue of leadership regarding these dynamics.
- Closer rural-urban relationship
- There are different strategies for development in Europe
- In rural areas, there are not only problems but also opportunities
- EU panel expresses clearly the direction of development citizens want
- Decision-making is now more about governance than government: involves several interest groups, citizens, enterprises and of course public authorities. Learning and policy-making through dialogue.
- Citizens have to be involved in decision-making
- Most of the EU budget used to go to agriculture only. Now other rural economic, environmental, social concerns are increasingly taken into account in the EU budget.
- Citizens should be involved and express their needs to the government but also have to care about the stakeholders

- After WWII, EU needed food and set up a strong Common Agricultural Policy (CAP). The redistribution of money was much influenced by the sheer number of farmers (equally voters), and developed into support for agricultural production
- EU mistake: one-size-fits-all subsidy policies, without distinction for what they do (positive or bad behaviour...) > link subsidies with positive results
- Rurality means different things, it depends where you are
- Information transfer between academics, producers and politicians is very important
- No clear policy objectives lead to no good results, event if the delivery process is well thought about!
- Cap is very costly and only improve agricultural system and not farmers situation; 2) 80% of the EU CAP subsidies go to only 20 % of farmers
- We need to listen to people's interests because they not only have interests but also knowledge
- How to support rural development: there is not only one way (price protection) to solve the problem but many ways (e.g. tax exemption, subsidies...)
- How do we select policies that give incentives in exchange of services/conditions for positive develop (no help anymore)
- Cities benefit from 2 systems: 1) national, where both rural areas (tax transfers; current discussion in Tzech Republic about cancelling current land taxation) and urban businesses generate revenues for cities; and 2) globalisation, that also favours urban areas
- Agriculture and modernisation issues are not solved in EU neither
- The investment of infrastructures is necessary but not sufficient in order to promote the development of poor rural areas. Such a policy must be accompanied with other policies like educational, social services, health, new technologies,..., policies. (e.g Andalusia in Spain)
- Effect of subsidies was shown on increasing farm subsidies from 1/4 in east compared to western farmers, reverse decrease of subsidies for all after 2013 was compared with privatisation of physicians after capability of patient to pay for health service
- Comment on questions about whether it was a good idea to spend so much money on agriculture: 1) no, agricultural spending has not produced rural development or greater regional or inter-personal equality 2) agricultural subsidies have one-time impact of increasing land prices, which adversely affects other rural enterprises & people

- Comment on industrialisation of countryside: Very important not to constrain new enterprises in rural areas by artificial (e.g land use policy) constraints on what is considered to be feasible or appropriate (e.g. reserve rural areas agriculture & forestry only) in the sense that it could prevent innovation
- In Europe, rural extension services played a relevant role in the process of agr. modernisation in the 60ies. They helped small farmers to assimilate the mechanisation in farms and the use of technologies. Besides these services promoted new ways of cooperation among farmers and they were important intermediates actors in the implementation of farming policies? We can say that without the rural extension services the small farmers would have had a lot difficulties to modernise their farms.
- Ecology needn't be contradictory with GDP growth if waste is handled by modern technologies. No compromises must be taken
- Problems of local leaders in the development of sustainable agriculture
- Move from large-scale infrastructure investments to smarter local investments (south of Italy)
- Invest on endogenous resources of rural areas - human capital and organisation are the lacking factors in rural areas - the economic theory of the past excluded the possibility of development in rural areas, now we know it was wrong

## **The Chinese questions addressed to Europeans**

- What kind of measures to keep rural landscapes in its traditional style ?
- Do you know of any measure to improve links between urban consumers and rural producers?
- Impact on EU of globalisation (referring to Doha round talk) ?
- What are the cultural and social changes in EU.?
- Which is the best form of subsidies ?
- Are there rural policies in Europe?
- What are processes or scope of these rural policies ?
- What outcomes do these rural policies want to reach ?
- Looking back, is it the good thing for government to spend so much on agriculture?



**WT34 – The future of rural areas in China and Europe**  
**Session 3**

## WT34 – The future of rural areas in China and Europe Session 4

### How to enhance the dialogue between China and Europe ?

- The development of rural areas is key for both Europe and China, for economic, social and environmental reasons.
- There was agreement that there is great potential for information sharing and cooperation towards the sustainable development of rural territories
- Issues for enhanced dialogue and cooperation would include: diversification of rural economy, governance, rural-urban linkages, environmental and landscape issues.
- Ongoing cooperation) OECD rural policy review of China, on its rural economy and policy (publication end 2008)
- Invitation: OECD annual conference on rural development “innovative service delivery: meeting the challenges of rural regions” (Cologne, Germany, April 3-4, 2008)
- Build China-EU school for rural research
- Local officials training programmes
- EU and China should work together on NGO training
- Hold another China-Europa forum in 2 years
- Invitation: International rural networking conference in India Spring 2009 (Chinese counterparts invited)
- European Commission (DG6, DG12, SPF): small projects could get possible support unit at EU level
- Joint-venture on different models: 1) cooperations with private farmers 2) farmer clubs
- China & EU should work together on better rules for more sustainable development in rural territories
- New programme of cooperation on higher education (at post-graduate level) on rural issues between China & EU
- Maintain the network on rural development started at this China-Europe forum

- Learn from the experience of the successful LEADER European rural programme (creative partnerships between governments and rural civil society associations)
- Researchers of rural areas are invited to care for impact of oilseed sector on rural areas through food, fuel, employment and other dimensions (present articles in Prague world congress of oilseed sector at 2011)
- Organise a joint EU-CN exchange programme with visits to rural areas in China & EU, discussions with local farmers, entrepreneurs, officials, with opportunity for discussion & visits; share findings; encourage study on practices (e.g. in farms and local gov.) and theory (e.g. advising systems)
- The Ling Nan agriculture research center in Zhong San University has opened the experiment lab of organic product in Canton rural area. We hope to get the relative experience from Europe.