



## **A Rural People's Republic of Hunger: Economic Growth, Food and Nutrition in Contemporary China**

**Speaker: Dr. Sriram Natrajan**

**Chair: Prof. Alka Acharya**

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Sriram Natrajan began by addressing a complex yet understudied aspect of China's economic development – the deteriorating food consumption and nutritional levels in rural China since the early 2000s. He primarily highlighted the contrast between economic growth and recession in meeting the societal and demographic challenges in China.

Based on a review of annual household survey data collected nationally and compiled by the National Statistical Bureau and the Food and Agriculture Organization of the United Nations (FAO), Natarajan showed how food supply and utilization in China had reached a critical stage. Using state data and empirical standards he was able to identify a trend indicating a causal relationship between economic growth and income distribution. This being reflected in the divergence between urban and rural food consumption and nutrition levels in China in general, and in rural China, specifically.

The presenter's thesis was based on the literary work of Mo Yan entitled, 'The Republic of Wine' or 'Pow' (1992, in English, 2000). The increase of gross materialism in contemporary China has been used as a metaphor to distinguish the vulnerability of poor in China.

Natrajan relates his analysis with Mo Yan's description of modern Chinese state. He shows how the materialistic tendencies, venality of government officials and the abuse of political power have not only widened the regional disparity but also increasingly restricted the non-rich population's access to food and nutrition. Using primary data, Natrajan further showed how besides geographical imbalance and lack of access to sufficient food, the most alarming trend amongst the rural population is the lack of access to reasonable and nutritional food under the pretext of market condition, where the supplies were over stretched to reach the demands. And these demands, which were mainly 'urban' in nature, were dominated by materialism. Natrajan used several indicators to underline his assumptions.

His primary research proposition was whether China can have a high degree of hunger with high degree of prosperity. According to him, from 1978 till 2009, the share of agriculture went down drastically including the percentage of farming and forestry. Whereas, the per capita share of food grain remained lower than the share of meat and fisheries. This rise in the share of overall food was noticed in urban China. During the same timeframe, using state published data, Natrajan underlined that rural household consumption of grain has fallen down drastically. To demonstrate his results more effectively, he elaborated how and why the correlation between food production, availability and consumption pattern needs to be studied. He further explained that domestic supply is accounted for after subtracting the net exports and considering the available stock change equals from the national production. Further, the use of seed and food – prepared for animal stock and other uses – are subtracted from the domestic supply to know the availability of food. Once this food availability is divided by population, it gives per capita availability. This way, the speaker calculated China's food availability over the last few decades.

Natrajan argued that although for an individual or household, various factors configure to determine food consumption. In China, the distribution of incomes has also affected its food consumption patterns, especially in the rural areas. He explained how the production of grains remained non-progressive but marking slight hikes since 1978, the production of meat products and aquatic products went up between 1978 and 2009. The per capita output of meat and aquatic product was 13 kgs in 1978 and it rose to 52 kgs in 2009. In his observations, he noticed that this trend does not represent what most of the economists often use as behaviouralist explanation to expound the diversification of diets with increased consumption of meat and other superior foods

in China. Using the framework proposed by Pan Yotopoulos, the speaker argued that usually when the diversification of food occurs, the direct demand of cereals/food grains rises marginally and then begins to fall. On the other hand, the indirect demand for cereals – feed, rises more sharply influencing the total demand for cereal, which begins to rise at a faster rate. However, the speaker noted that in the Chinese case, food begins to get substituted for feed and total demand begins to stagnate. He concluded that the rich urban population with higher income levels played a crucial role in unbalancing the access to food between urban and rural population. Natrajan termed this phenomenon as ‘urban prosperity and rural hunger’. The Chinese economic growth not only deprived the rural population from access to affordable grains but also made the meat inaccessible due to economic reasons. The changing pattern in the food habits didn’t affect the urban population and their per capita calorie availability remained relatively stable.

While concluding his presentation, Dr. Natrajan also touched base on the challenges of food security in China and its global ramifications. He pointed out that the rise in meat consumption has affected the demand for *feed*. Increasing production of meat has generated rapid demand for feed grain demand. For example, between 2001 and 2011, Soya consumption in China expanded 160 per cent while area planted fell 20 per cent. This has created ripple effects at the international level as Chinese started looking to fill this deficit. The Chinese started exploring the possibilities to agro-business beyond the traditional set-up and in search of soya plantations in South America (Brazil and Argentina mainly) by converting savannas and forests into farm lands. China is sourcing soya and maize from Latin America and Africa in large quantities since 2008.

*Report prepared by Aravind Yelery, Visiting Associate Fellow, Institute of Chinese Studies, Delhi.*

### **About the Author**

Dr. Sriram Natrajan is an independent consultant on economics, development and statistics, with a focus on food and agriculture in Asia. He has consulted on economics and statistics in international organizations such as FAO and ILO and taught economics and development in India and Thailand and lectured in various academic institutions. The development experiences in Asia, in particular China and India, have been the focus of his research over the years. He completed his Doctoral Study on ‘Agrarian Change and Rural Transformation in China: China’s

Development Experience Since 1965' from Centre for Economic Studies and Planning, Jawaharlal Nehru University.

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