

REGULATING CHINA'S FOOD INDUSTRY: Whose Responsibility?

by Joyce Li

The China Information Internet Center reported over 9.35 tons of “poisonous” rice—rice bleached, polished, or mixed with poisonous mineral oils—from Guangdong Province, all sold under a fake brand name. In Ningxiang, after eating noodles that a business rival had contaminated with rat poison, 42 people died and 120 more were hospitalized, said the *China Daily*. In early 2004, China Central Television discovered that a soy-sauce plant in Hubei Province was distilling amino acids from waste human hair into a syrup and selling it as “blended” soy sauce. Food poisoning and contamination is bombarding consumers in every possible way in China, from pesticide residue to tampering to mislabeling to unsanitary handling to knock-off food brands. In 2001, China reported 146 people dead and over 15,000 hospitalized. These trends continued each year, despite the consternation of the Chinese government and repeated vows to boost government regulations.

And just when things seemingly couldn't get any worse, a scandal earlier this year in Fuyang City involving knock-off baby formulas killed 50 to 60 babies and left at least 200 more malnourished and hospitalized.¹ Over 45 different brands were

found to be manufacturing formulas that contained mostly sugar and were well below the advertised—and government required—level of nutrients. Babies became malnourished and wasted away before their parents' eyes.

The Chinese government arrested over 112 people involved in the incident and promised strict prosecution for them and others caught in such flagrant violation of consumer protection laws. With each scandal, the government has promised to increase regulation and consumer protection acts, but each new instance has only made the dismal record of government regulation increasingly clear.

Consumer protection laws in China are vague and unintelligible. Rather than being established by the government, safety standards and laws fluctuate with the shifts of the market. Chapter II, Article 7 of the Consumer Protection Law calls on companies to maintain standards of safety nebulously defined as “contemporary technical and professional standards of...the sold goods launched into the market.” In other words, companies are expected to maintain the standards currently established by other companies. Article 8 includes a clause stating that businesses cannot be punished for falling behind raised standards established by goods entering the market at a later time.

China lacks a central administrative body for food safety. Instead, food safety



Food vendor in Beijing, China.

regulation is determined by a host of bodies, with the State Drug Administration and Ministry of Health playing prominent roles. These bodies share licensing and inspection duties, and many of their requirements and licenses overlap and contradict.² The Food Hygiene Law of 1995, declaring that food safety standards be decided locally, compounds the problem. The food industry is,

not surprisingly, overrun with inconsistent standards and confusing licensing requirements.

The food industry in China is made up of numerous small- to medium-sized companies, and the number of businesses, along with the sheer volume of food produced, makes food regulation in China an enormous task. The government is more interested in—or more capable of—keeping scandals quiet than it is in preventing mass cases of poisoning from occurring. The Food Hygiene Law and other food safety codes contain more punitive than preventive measures, such as inspection sites or mandatory safety criteria.

Instead of attempting to build the capacity to oversee food production within its borders, the government is calling for the participation of consumers, NGOs, government bodies, and food companies alike in establishing food safety standards. In a

document submitted to the World Health Organization in 2002³, China called for increased participation on the part of “consumers, food industry and other stakeholders.” China strongly stressed increasing consumer awareness by hosting an annual “Food Hygiene Law Education Week” and implementing other educational programs on the importance of sanitary food handling. This solution is inadequate. Although many cases of food poisoning were caused by unsanitary food from cafeterias, an alarming number of food poisoning cases came not from consumer preparation, but from unsafe products and packaging due to chemical and pesticide residue, or the usage or substitution of unsafe, inferior, or expired ingredients in processed foods.

The document also calls for stronger self-regulation on the part of food industries and companies by installing a system of food safety inspection and hiring their own food safety personnel. Finally, the paper encourages the active participation of NGO’s, public media, and civil consumer associations. The government’s role in the food safety process is minimal, as the report suggests that its long-term goal should be to work with consumer organization groups to conduct hygiene education programs

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and to take “advice and comments” from them for analysis.

Despite the difficulty China faces in centrally regulating such a large industry, the government has arranged a strict regulation system for products meant for export. The Export-Oriented System (EOS) is a strict regulatory system that monitors food products from exporting companies at every step, from the pesticides and chemicals used on farms to food processing facilities to packaging plants. Companies wishing to export food products must obtain special licenses from the EOS administration. The EOS is exactly the kind of regulatory system that China needs for its domestic consumers. Dr. Dali Yang, associate professor of Chinese politics at the University of Chicago says that the export-oriented system was established as a response to the 20-month European Union ban on animal and meat imports that started in January 2002. “China needed to meet the standards of other countries to ensure compliance. It’s not that the Chinese government isn’t committed to food safety, but the size of the general food industry is huge. The export industry is smaller and generates [considerable revenue],” says Dr. Yang. “It isn’t rare for developing countries to have separate standards [to promote exports].” In addition to keeping up its international reputation, China is confronted with additional pressure to adhere to global standards for food safety after its accession to the WTO.

China is also facing a build-up of intense pressure from domestic consumers to step up food safety regulation. The civilian consumer protection group system plays an important role in food regulation. Consumer groups, such as the Chinese Consumer Association, obtain licenses from local government authorities and then

independently regulate and inspect food production facilities and plants. They also hear complaints and comments from consumers and report back to local government officials. “These groups are major champions for the people. They are advocacy groups that [in many cases] protect hundreds of thousands of consumers,” says Dr. Yang.

Currently, the surviving babies of the fake formula scandal are receiving medical care from the government; the families of the deceased babies each received ten thousand yuan. Is there any hope for strengthened protection that will prevent tragedies like this from happening again? “The government is changing, but it will take time for the process to adapt and become more significant. The government has also set up a special national commission to coordinate food safety earlier this year,” says Yang. Awareness is being raised, and local officials and consumer groups are doing what they can to watch over food production. It may not be enough yet, but for now it will have to do.

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- 1 CBS News, www.cbsnews.com/stories/2004/05/10/health/main616432.shtml, 10 May 2004.
 - 2 Bian Yongmin, “The Challenges of Food Safety in China,” *China Perspectives* No. 53 (May-June 2004).
 - 3 “The participation of consumers and other stakeholders in food safety activity in China,” country paper proposed by China in the FAO/WHO Global Forum of Food Safety Regulators; 28-30 January 2002.