

URSP 3050

**Special Topics in Urban Studies I
Case Study Report**

Take Back The Economy with Community Economy

Return on Investment: A case study on Conservancy

Association community supported agriculture

-- Long Valley Ecopaddy

Wan Chi Yan Jamie 1155017101



Contents

1. Introduction	2
2. Background: Long Valley and Conservancy Association	3
3. Community Supported Agriculture (CSA) and Long Valley Ecopaddy	4
4. Community Economy Return on Investment (CEROI) and Long Valley Ecopaddy.	5
4.1. Community Economy Investment	6
4.2. Community Economy Return.....	9
5. Policy Implications	12
6. Conclusion.....	13
References.....	14

1. Introduction

Economic growth has become the dogma of today's mainstream economy under the ideology of neoliberalism. Economic system is mainly, if not solely, built upon the doctrine to pursue the GDP growth, which is all about money or capital accumulation. In the fanatical pursuit of market efficiency and GDP growth, goods and services, or even individual's right such as right to the clean water or food are increasingly being commodified for monetized exchange, while the ethics are removed from the processes of profit calculation (Willam, 2014). The "ethics" include human's concern to the Mother Nature, to other individual, to the community, to the future generation etc, all of which are essential in the discussion of "sustainable development".

In this case study report, a new accounting tool called Community Economy Return On Investment (CEROI) will be adopted to examine and explore the new possibility to reframe "the economy" that are not merely about money making or efficiency, but also taking investment of time, culture, social network etc into the calculation of the "return on investment". In order to demonstrate how economy can be reframed and taken back through CEROI, the Long Valley Ecopaddy community supported agriculture (CSA) will used as an example for illustration. In the final part of the report, challenges of CSA faced by the involving parties will be explained, and relevant policy implications will be suggested as the way forward.



2. Background: Long Valley and Conservancy Association

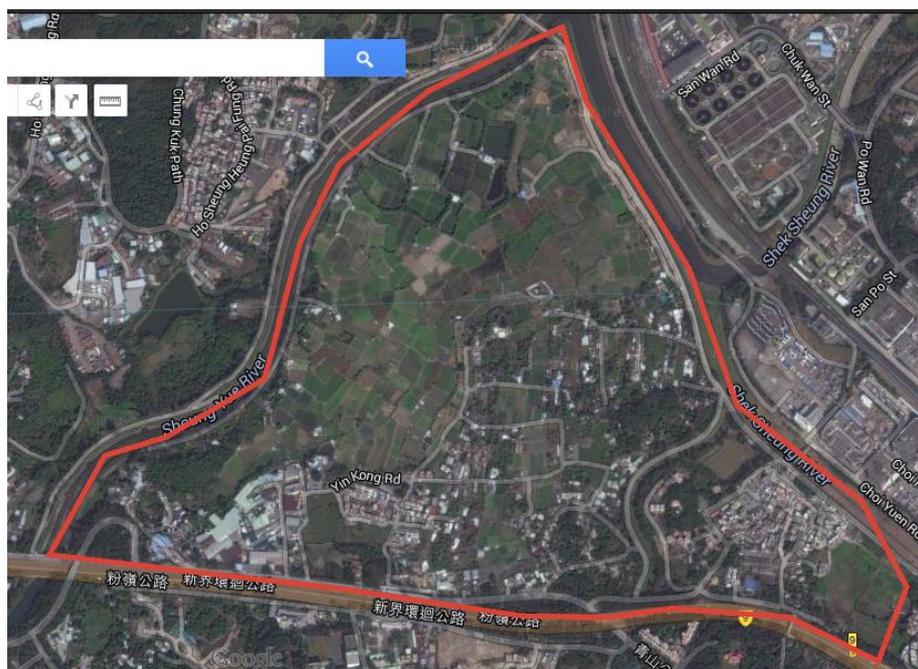


Figure 1 Long Valley location (Google Map, 2015) (edited by author)

Long Valley located in Sheung Shui of the New Territories, and generally refers to the area within the red boundary (figure 1). Rice cultivation was a major agricultural activity in Hong Kong in 60s, where over 70% of farming area was rice field. Long Valley, being one of the origins of local indigenous village and locating on a very fertile and well-irrigated flood plain at the junction of two rivers, also cultivated paddy rice for hundred years (Grant, 1962; Chick, 2011). However, until 1970s when new town development was fierce, land owner preferred selling their land to the private developers or left abandoned for speculation, leading to a decline in paddy cultivation in Long Valley. In addition, policy encouraged shifting to the more profitable vegetable cultivation, and also because of the influx of skillful vegetable farmers from mainland China during 1950s and 1960s, these newly immigrant rent land to grow vegetables (Chick, 2011). These factors further contribute to the rapid decline of traditional paddy cultivation in Long Valley.

Worse still, the Kowloon-Canton Railway (KCR, and was taken over by MTR in 2006) got approval from the Hong Kong government in 1999 to build the Lok Ma Chau Spur Line across the Long Valley. Apart from its great farming history, Long Valley is also an important artificial wetland for supporting thriving biodiversity. Therefore the

railway construction was heavily criticized by the public and environmental groups, one of them was the Conservancy Association, and fortunately, this infrastructure work was revised late. Following the revised construction project, the government launched the New Nature Conservation Policy and selected Long Valley as one of the 12 priority sites for enhanced biodiversity conservation measures (Chick, 2011). Therefore Conservancy Association started the ecosystem and agricultural conservation in Long Valley under the Management Agreement since 2005 through various projects, one of them is “revitalizing” the paddy rice cultivation.

3. Community Supported Agriculture (CSA) and Long Valley Ecopaddy

Industrial or factory farming, in many businessman and politician’s eyes, is the most efficient way to produced food nowadays. With the advanced transportation, perishable food produced from industrial agribusiness can now be transported far away from its origin. Land under the globalization of food system and capitalistic agribusiness is privatized for money maximization; farmers are anonymous labor working for the capitalists in a lengthened food supply chain; consumers are alienated buyers on the far end of the food supply chain. In the era where the world is encountering rampant biodiversity and environmental degradation and community break down, this model of agribusiness, although achieving high economic efficiency and gain significant profit, ignore the externalities and shake the man-land balance, and therefore require a new approach.

Community supported agriculture (CSA), a grass-root initiative that aims at combating the capitalistic agribusiness since 60s in Europe and Japan, is one of the new approaches adopted in communities around the world nowadays (Poon, Chan, Koo & Lo, 2013). The general model of CSA focus on the mutual support between farmers and the consumers (usually refer to the community near the farmers), where consumers will pay a sum of money to the farmers before cultivation period, then they will negotiate the price of the vegetables and the farming method (Partnerships for Community Development, 2015). The term CSA is translated into *shequxielinongye*, where *shequxieli* means ‘join in common effort by the community’, which clearly depicted the basic principle of CSA (Partnerships for Community Development, 2015).

In 2011, the Rice club for Long Valley Ecopaddy (禾·花·雀·塋原生態農社) (figure 2) was established jointly by Conservancy Association and the Hong Kong Bird Watching Society, which the individuals or families can pay a certain amount of fee to join the membership of the club. The money collected from the members will be paid to the farmers who cultivate paddy rice, and the members can go onto the field to help the farmers. By the end of the harvesting period, the members can receive certain amount of the rice.

In the following section, the CEROI will be introduced to further elaborate how CSA model in Long Valley contribute to the community economy that regain the balance of man-land, and more importantly, reframe the economy from system that only calculates the return in terms of profit and money to system that allow room for ethical decision making (Gibson-Graham, Cameron & Healy, 2013).



Figure 2 The logo of Long Valley Ecopaddy
(source: Ecopaddy Facebook page)

4. Community Economy Return on Investment (CEROI) and Long Valley Ecopaddy

Conventional approach of measuring the performance of an investment is through cost-benefit analysis, where both cost and benefit only consider the very concrete value of the return and investment in monetary term. Furthermore, the conventional cost-benefit analysis follows the notion of maximizing the return while minimizing the investment cost in as short a time frame as possible (Gibson-Graham, Cameron & Healy, 2013). CEROI, on the other hand, reviews the return and investment in a more diverse and holistic perspective. CEROI is “diverse and holistic” in the sense that this tool takes temporal (vertical) and communal (horizontal) dimension, monetary and non-monetary return or investment into account.

In table 1, a brief summary of CEROI of Long Valley Ecopaddy was listed, where there were both monetary (e.g. government subsidy) and non-monetary (e.g. volunteer labour and knowledge) return and investment. Temporal dimension means taking the historical (such as appreciating the traditions and the works of the ancestors) and the future (such as creating a capacity and expanding the common for the future

generation to sustain their life) perspectives into consideration of the return and investment. Communal dimension refers to considering the cost and benefit not only from an individualistic, egoistic, competitive and “narrow self” position, but also reconnecting oneself back to the community and the nature (Bloemmen, Bobulescu, Le & Vitari, 2015). In the following section, each item will be further explained in detail.

CEROI	
Community Economy Investment	Community Economy Return
⇒ Government indirect investment to Long Valley CSA	⇒ Increased ecological value
⇒ Extra labour input from Conservancy Association Staff (time/knowledge)	⇒ Expanded common (culture/land)
⇒ Farmer's rice planting knowledge	⇒ Community empowerment
⇒ Volunteers/Rice Club member efforts and time	⇒ Increased well-being (for farmers/for urban dwellers)

Table 1 CEROI of Long Valley Ecopaddy

4.1. Community Economy Investment

⇒ Investment 1: Government indirect investment to Long Valley CSA

With the enactment of New Nature Conservation Policy in 2004 after the adjustment of KCR spur line project, the Conservancy Association and Hong Kong Bird Watching Society started running the nature conservation projects in Long Valley by joining the Management Agreement with local farmers and the villagers (Chick, 2011). Under the Agreement, the government funding named Environment and Conservation Fund was granted to the organizations for “habitat management, species and habitat monitoring and education program to conserve the landscape and biodiversity of Long Valley” (Environment and Conservation Fund, 2012).

According to the Conservancy staff, they started using part of the funding to carry out agricultural management work since 2006 such as re-introducing paddy rice farming in Long Valley as they later realized that the artificial wetland of paddy cultivation was an very important habitat for the birds and insects. Conservancy Association, therefore, started negotiate with the farmers to pump water back into the abandoned paddy field and to adopt an environmental-friendly cultivation method:

“Basically the government funding under MA (Management Agreement) can cover all the basic operation cost of the farmers...we

required the farmers to use organic fertilizer...it's a win-win situation, the farmers gain a more stable income and we got farmers willing to co-operate with us" (Interview with Conservancy Association Staff)

Although this is a funding for "ecological conservation", it is actually indirectly supporting the revitalization of a farming community in Long Valley. More importantly, as suggested by the staff that, the government is investing into a common:

"The government should regarded agriculture as common, and reconsider that, what they are investing is in fact a public service." (Interview with Conservancy Association Staff)

⇒ **Investment 2: Extra labour input from Conservancy Association Staff (time/knowledge)**

Staff from Conservancy Association sometimes have to pay extra effort in operating the CSA. For example they have to invest time and knowledge to design the packaging or the public agricultural events. The staff are responsible for selling the rice through different channels, which varied every time: sometimes in farmer's market, sometimes collaborate with other organizations (figure 3):

"We, as an NGO, wish to explore more market channels for the farmers to sell their produce. Most farmers working with us are elderly, probably 70 to 80 years old. We understand that they may not be good at, or have the time and energy to do the marketing stuff, so we often help them to sell their product. We do the packaging for them as well. It is a pity if the farmers dropped out of the agriculture as it mean a total lost in the inheritance of the culture and the knowledge"

(Interview with Conservancy Association Staff)



Figure 3 Staff selling the Eco Rice in a farmer's market

During the interview, the staff also revealed that they have to build a good relationship with the farmers by constantly negotiating with them, or comfort them when they are unhappy with the harvest:

“Every time when we renew the contract with the farmers, we discuss with them about what to plant and how to plant in the coming rotation...When there’s typhoon, there must be lost in farmers’ crop. So we have to cheer them up, telling them that although you lost some money, you still got people outside to help you!” (Interview with Conservancy Association Staff)

These efforts in communicating with the farmers and caring the farmers are non-monetary investment that often unaccounted for in the traditional cost-benefit analysis.

⇒ **Investment 3: Farmer's rice planting knowledge**

Farmers in Long Valley CSA are community members who possess precious traditional knowledge. Without them investing their knowledge into the CSA and the community, it would be impossible to revitalize the paddy cultivation in Long Valley:

“Farmers of the Rice Club are old, they need time to get themselves familiar again with the paddy cultivation technique that have long been left aside...We start cultivating our first batch of paddy in 2006, but only until 2009 that we finally succeeded. It’s a very long process, we learnt by trial and error with the farmers, and the experiments with farmers is still on-going.” (Interview with Conservancy Association Staff)

This knowledge investment allows the re-introduction of the rice cultivation culture and history to the community, which again is a non-monetary investment that often being overlooked in the mainstream economy.

⇒ **Investment 4: Volunteers/Rice Club member efforts and time**

To join the Rice Club of Long Valley Paddy, individuals or families can pay an annual fee of HKD\$1, 200 and HKD\$3, 600 respectively. They will be invited to help the farmers to transplant the rice seedlings and also to harvest (figure 5). By the end of the harvesting period, these members get the priority to obtain the rice from Long Valley (6kg for individuals and 18kg for families):



Figure 4 Participants transplanting the seed
(source: Ecopaddy Facebook page)

“The membership fees collected are used to supplement the operation cost for the paddy cultivation, farmers working for the Rice Club can now have extra income, and the conservation project received supplementary capital too!” (Interview with Conservancy Association Staff)

The public can also purchase the Long Valley Eco-Rice (figure 4) from the Conservancy Association, which can be regarded as another investment to the community too. Apart from these monetary investments, the Association will recruit volunteers from schools or the public to assist in harvesting the paddy or in transplanting the rice seedlings. This voluntary work can also be termed as “non-commodified” labor that is unpaid, or paid in-kind (William, 2014). These exemplified how people can invest to a community in both monetary and non-monetary term, which is more diverse way of seeing the economy than the mainstream one.



Figure 5 Long Valley Eco-Rice

(source: Conservancy Association website)

4.2. Community Economy Return

⇒ Return 1: Increased ecological value

Being designated as one of the 12 priority sites for enhanced nature conservation management, the paddy field is regarded as artificial wetland with thriving ecological value. With the “investment” of using organic fertilizer and pesticide, restoring the abandoned paddy field, and intentionally sparing paddy field to feed birds, it is reported that biodiversity in the Long Valley was enriched. For example the bird species in Long Valley increased by 25% since the start of the conservation project in 2005 to 2010 (Apple Daily, 2010). Endangered bird species such as Black Faced Spoonbills and Yellow-Breasted Bunting are common visitors to the site. The Long Valley Ecopaddy even use Yellow-Breasted Bunting as a signature in their logo, implying that the enhanced ecological value and the revitalization of paddy cultivation are interdependent, and that ecosystem and human activities are interconnected.



⇒ **Return 2: Environmental conservation (culture "land")**
Figure 6 Birds in Long Valley farmland (taken by author)

Throughout the Hong Kong development history, “land” to people’s understanding was so narrow that was merely the property open for the rich to privatized (Partnerships for Community Development, 2015). “Agriculture” was regarded as backward and the “sun-set industry” that should be modernized or else eliminated (Partnerships for Community Development, 2015). Therefore the common in terms of cultural value of agriculture and the land as a public property on Earth was lost. Through investing the CSA, farmers are able to tell their stories of agriculture, land becomes a common where the farmers and the urban dwellers participate in and share the risks and rewards of production.

⇒ **Return 3: Community empowerment**

Community empowerment refers to building the capacity to withstand the external disturbance and capability to achieve self-sufficiency and self-reliance in the long-run (Partnerships for Community Development, 2015). This is in fact one of the ultimate goals for Conservancy Association to re-introduce the paddy cultivation in Long Valley:

“At the beginning, we focus solely on nature conservation in Long Valley, but then we realized it will be better if we can reduce the reliance on government funding. We hope the community can sustain itself. Therefore we thought of some new plans to generate extra profit so that the community can be better off from the project, and we tried growing rice, which we expect this can attract the public to join us...It is a very long process, requiring changes in the mindset of the community and the participants. Now we are at the initial stage of reconnecting the urban and the farmers.” (Interview with Conservancy Association Staff)

In addition, this “community” may not be confined geographically to the “Long Valley community”, but can also refer to the “farmers community”. There are cases where the Rice Club members became a full time farmer, and cases where the indigenous village become active in conserving local agriculture:

“A former participant of our Ecopaddy programme quit his job and went to Lai Chi Wo to farm. And I am glad to witness that an indigenous villager of Long Valley joint us in protecting the agriculture. You know,

indigenous villagers are usually those who wish to sell their land for money and disliked the general public.” (Interview with Conservancy Association Staff)

Inspiring some new and young one to join the farming community can also be treated as strengthening the bonding of community and the urban people. These new blood are very important human capital for spreading the message of rethinking the mainstream economy and of the feasibility of new way of life. This non-monetary return is often being omitted as the process of empowerment take a very long time and the effect cannot be seen instantly, and so making it difficult to include in a normal balance sheet.

⇒ **Return 4: Increased well-being (for farmers/for urban dwellers)**

Well-being, according to Gibson-Graham, Cameron & Healy (2013), is the combination of 5 elements: material well-being, occupational well-being, social well-being, community well-being and physical well-being. Through investing in the CSA, it is possible for human being to increase their overall well-being, not just the material or occupational well-being. For example, the farmers can now earn a stable and extra income as the risk induced during cultivation is shared among the Rice Club members and the Conservancy Association:

“When there’s typhoon, it is unavoidable to loss some crops. But because we got funding from the government and also supplement by the Rice Club, the farmers won’t loss all their money, they still at least sustain their life in the short run.” (Interview with Conservancy Association Staff)

More importantly, revitalizing paddy cultivation in Long Valley allows the recognition of farmers’ expertise, which is essential to sustain the aged farmers’ passion for farming:

“You can feel that the farmers are happy when people come to farm and buy their product... When farmers stop farming, it means the land will go abandoned again. It is a pity if the farmers dropped out of the agriculture as it mean a total lost in the inheritance of the culture and the knowledge. This is just like adding hail to the snow for local agriculture.” (Interview with Conservancy Association Staff)

Besides, the urban dwellers are now reconnected back to the land and the food source and are able to rethink the value of land and “agriculture” by re-position oneself away from the egoistic and individualistic stance (Partnerships for Community Development, 2015). Their knowledge on agriculture is enriched through the farming experience and communicating with the farmers:

“Before we start doing work on the farm, we usually ask the farmers to introduce himself and ask the farmers to teach the participant some basic farming knowledge, so that the participant have a brief idea of who is doing what in Long Valley” (Interview with Conservancy Association Staff)

Through the investment on CSA, the consumers and the farmers now encounter each other on the paddy field, they are now able to “see” each other as an individual instead of just the anonymous workers growing food at the far end of the food chain under the capitalistic agribusiness. Not only can they encounter human beings, but also encounter the nature.

5. Policy Implications

Despite the advantages brought by CSA in Long Valley, challenges faced by the community and the Association are noteworthy. First challenge is that although there are new members joining the Rice Club every year, the man power is very fluctuating and unstable:

“People usually come and take one or two photos and leave. It is understandable that a consistent and dedicated participant is hard to find... Outsiders, especially the families participants, only know farming in Hong Kong as leisure farming. That’s not all and we want them to a step further, but at least it’s a start for the public to get their hands back onto agriculture.” (Interview with Conservancy Association Staff)

The challenge of unstable and inconsistent support from the public was also faced by other community economy in Hong Kong such as the collaborative consumption, where consumers simply paid, get the goods and leave. This may somehow deviate from the origin intention of community economy of reconnecting the community.

Second challenge, which is also faced by other CSA in Hong Kong, is the inadequate government support in promoting local agriculture. Current Hong Kong

agricultural policy adopts the principle of free market where minimal government intervention is preferred (AFCD, 2010). Yet without government intervention, local agriculture is too weak to compete with the fierce property development and the cheap agricultural imports from China (Chick, 2011). Even a New Agricultural Policy was proposed last year, it is criticized by the Association staff that:

“The government does not say anything about its vision for the development path for local agriculture, and the policies such as the the Agro-park or the high-tech agriculture are unrealistic and not catering for local small famers. When our CSA is doing good, why don’t the government reconsider the feasibility of promoting Ecological Agriculture like those in Taiwan and Long Valley?” (Interview with Conservancy Association Staff)

It suggested that by the staff that the government should adopt the *Satoyama Initiatives* which combine ecological perspective into the agriculture development. It is a very holistic and comprehensive initiative that conserves the nature as well as the community in order to a genuine sustainable development in Japan.

6. Conclusion

Living in a society dominated by mania for market efficiency, human beings are giving way to the capitalists to take over their way of living. Policies makers prefer adopting the easy and fast tool to review economic activities, removing ethics during decision making, and therefore countries’ GDP keep growing yet at the expense of the human well-being and the environment quality. In this case study report, however, a new approach of reviewing the economic activities was adopted, and by investigating into the Long Valley Ecopaddy case, it is discovered that many hidden return or investment that is essential for human well-being are unaccounted for in the mainstream economic system, or it’s hidden below waterline of the iceberg. Unlike the usual understanding of return on investment, these return and investment are more diverse as they also include non-monetary items, environment cost, community network etc.

Sustainable development requires the balance of social, economy and the environment. Through reframing the economy in a more diverse and holistic language with the aid of CEROI, it is possible now to accommodate the ethical consideration that integrate the Mother Nature, the community and the future generation in the economic activities.

References

- AFCD .2010. "Agriculture in Hong Kong" Agriculture, Fisheries and Conservation Department (AFCD), HKSAR Government. Retrieved from http://www.afcd.gov.hk/tc_chi/agriculture/agr_hk/agr_hk.html (accessed 20 April 2015)
- Apple Daily. 2010. [In Chinese] *Huge increase in bird species in Long Valley due to the effective conservation work.* [塋原保育見效鳥種暴增]. Retrieved from <http://hk.apple.nextmedia.com/news/art/20100920/14468403> (accessed 1 April 2015)
- Bloemmen, M., Bobulescu, R., Le, N.T. & Vitari, C. 2015. Microeconomic degrowth: The case of Community Supported Agriculture. *Ecological Economics*, 112,110-115.
- Chick, H.L. 2011. *Understanding the transformation of a traditional agricultural landscape in Hong Kong: a case study of LongValley* (Doctoral dissertation, The University of Hong Kong (Pokfulam, Hong Kong)).
- Environment and Conservation Fund. 2012. *Approved Nature Conservation Management Agreement Project*. Retrieved from http://www.ecf.gov.hk/doc/CA4_web_e.pdf (accessed 1 April 2015)
- Gibson-Graham, J.K. Cameron, J. & Healy, S. 2013. *Take Back The Economy: An Ethical Guide to Transforming Communities*, University of Minnesota Press, Minneapolis.
- Grant, C. J. 1962. *The Soils and Agriculture of Hong Kong*. Hong Kong: The Government Press.
- Partnerships for Community Development. 2015. *Touching the Heart Taking the Root-CSA in Hong Kong Taiwan & Mainland China*. Retrieved from http://www.pcd.org.hk/sites/default/files/publications/Final_pdf_csa_eng_book.pdf (accessed 20 March 2015)
- Poon, A., Chan, F.Y., Koo, C.H. & Lo, Y.Y. 2013. *A Different Hong Kong Social Economy*. The Commercial Press, Hong Kong.
- William, C. 2014. 'Non-commodified labour' in M. Parker, G. Cheney, V. Founier & C. Land (eds) *The Routledge Companion to Alternative Organization London: Routledge*. Chapter 7.