

The role of authorities in improving iodine salt ratio amid citizen

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Abstract: From half of 2004 to the end of 2005, Beijing Salt Industry Supervision Office had taken several measures to strengthen salt market management, and enhanced government administration level, which led to a good result of the Iodine Salt Ratio Amid Citizen [Israc] in Beijing in the end of 2005. The article selects Beijing's case to study, analyze and research, aiming to illustrate the fact that salt authorities could play an important role in improving Israc level in an area. This article introduces what had been done by Beijing salt authority in order to improve Israc in 2004, and explains why Beijing got a good result of Israc by the end of 2005. Through establishing a formula of $I=F\{G,E,P\}$, the author's attitude is shown clearly in this article by analyzing relations between salt authorities, salt company and public citizen, which indicates that Israc is a very important data and can be improved by enhancing salt authorities performance. The author also presents some advice on how to improve and maintain Israc level in the end of this article.

Key words: Authority role, Salt, Supervision, Iodine Salt Ratio Amid Citizen [Israc]

Currently, in Chinese edible salt industry, the Iodine Salt Ratio Amid Citizen [Israc] is a key indicator which can weigh salt authorities working performance, and can judge salt market operation, etc. This indicator, with a third-party characteristic, is issued and monitored by healthy authority instead of salt authority, which could be taken as a criterion to evaluate salt authority management from public view.

Practices show that the improvement of Israc is a joint action, which is accomplished by authority, salt company, public citizen, etc. Here, a formula is given below:

$$I=F\{G,E,P\}$$

I refers to Israc

G refers to authority

E refers to salt company

P refers to public citizen

This formula reflects a positive relationship among I, G, E, P, which means the positive attitude of authorities, the effective operation of salt company, and the correct knowledge of public citizen, should push the improvement of I. If G, E, P, three play a positive role in salt management and operation, the Israc will keep a long stability. Statistics also show that G will stay in a guidance position among G E P for improving Israc. Hereunder, this essay will explain the role of G, E, P together with real examples, and give managing advice for improving Israc.

THE RELATIONSHIP BETWEEN AUTHORITIES AND ISRAC

Israc, which is issued by national health ministry, is produced by healthy authorities selecting salt samples from residents randomly in an area to evaluate the content of iodine in the sample. The national health ministry releases Israc, which states the qualified Israc is up 90 per cent. The relationship between authorities and Israc are listed below:

(A) The Measure of weighing authorities' performance

According to Chinese law, adding iodine into edible salt is a major way to eliminate iodine-lacking diseases in China, and all edible iodine salt is supplied by licensed companies who get a permission from salt authorities. So, providing sufficient iodine salt is an obligation of salt authorities. But, how to evaluate salt authorities' performance is a difficult way. Now, with Israc, this issue can be solved easily. That is because Israc can reflect the performance of salt authorities directly. Due to the existence of positive relationship between the salt authority and the Israc, a high level Israc area must have an effective salt authority and a stable salt market.

(B) Pushing salt system reforming

Though current Chinese salt management system is effective, it is necessary to reform it in some points in order to get a more effective operation. At

present, Israc is a best way to reach this result.

- Improving modern circulation in salt industry

In 2005, an important plan was issued by national salt authority, aiming to promote modern circulation development in salt industry. In my view, improving Israc is an efficient way to achieve this goal. Because, under current salt industry circumstances, a low Israc reflects a low salt circulation, low transportation, and low logistics, which can not distribute iodine salt to the place where people need it urgently. If salt companies can not distribute edible salt promptly, there must leave a room for illegal companies to conquer the salt market, which means a reduce for salt companies, and an increase for illegal companies. So, improving Israc is a key to accomplish modern circulation goal in salt industry.

- Creating innovative environment

Now, Chinese edible salt industry is a monopoly area, which operated by authorized companies who could get a license from the salt authority. This method suits to Chinese situation, and guarantee the elimination of iodine-lacking diseases. But, for a long term, also, there is the space, giving edible salt industry system to be reformed. Some Chinese specialists point out Chinese edible salt system can be changed with three rules, which means: strong edible salt companies, well-educated customers with full iodine salt knowledge, and an efficient management. In fact there are two of them about salt companies and better management which correspond that mentioned above. For well-educated customers, I think we should take measures to instill the knowledge of the importance of the iodine salt into customers. So in my opinion, to realize all of these, the key is to improve Israc.

(C) Maintaining food safety and salt market stability

The wobbling edible salt demand is small, and the whole demand for edible is fixed in a society. If the sales of salt companies reduce, then illegal companies' sales will raise, which means Israc decreasing. Under this circumstance, there must be a problem of food safety, because the quality of edible salt is bad. In the mean time, the salt market is fragile, because there is a fierce competition between salt companies and illegal companies. Investigation shows where a low Israc area is, there is a bad quality of edible salt.

THE EXAMPLE OF BEIJING PRACTICE

Professor Hans Van Den Doel, an author of Democracy and Welfare Economics, says authorities manage the market because of existing Pareto Efficiency, which frustrates normal market development. According to this theory, from 2004, Beijing salt authority changed management idea, and concentrated on how to improve salt market efficiency by improving Israc level. With the assistance of modern circulation, strengthening authority management, a new salt management system has been established in Beijing, which has played an important role in salt industry, and has brought positive results shown below:

(A) The Israc keeps over 90%

According to healthy authority statistics, Beijing achieved 90.48% of Israc in 2005, increasing 13 points comparing with 2004, as shown in Fig. 1.

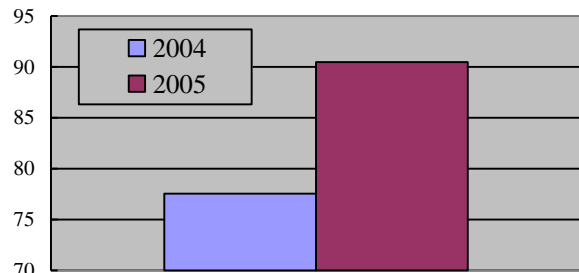


Fig.1 The Israc Comparison Between 2004 and 2005

(B) The sales of salt continues to increase

In 2005, the salt sale of Beijing is 146,000 ton, increasing 22.55%, comparing with 114,000 ton of 2004. The edible salt sale is 65,200 ton. The average citizen consumption of edible salt is 4.38 kilograms, which is above the national standard of 4 kilograms of every citizen, see Figs 2 and 3.

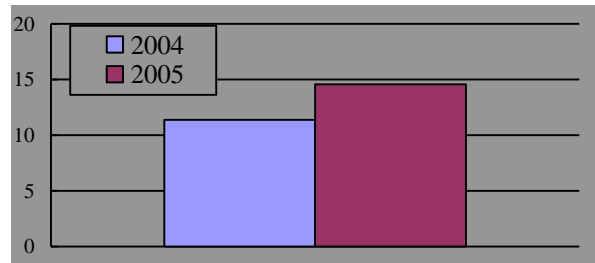


Fig.2 Salt Sales Output Comparison Between 2004 and 2005

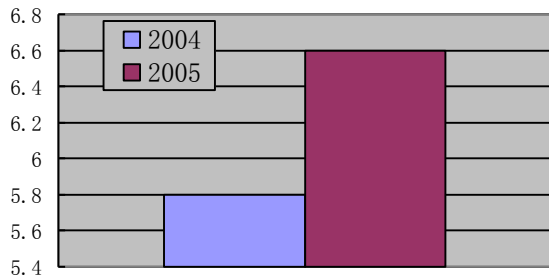


Fig.3 Edible Salt Sales Output Comparison Between 2004 and 2005

(C) The order of salt industry is stable

Over one year hard work, the market situation in Beijing becomes stable with the decreasing of illegal cases, and the reducing of confiscating salt products, see Figs 4 and 5.

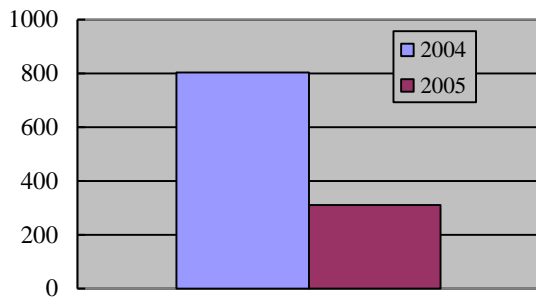


Fig.4 Illegal Salt Case Comparison Between 2004 and 2005

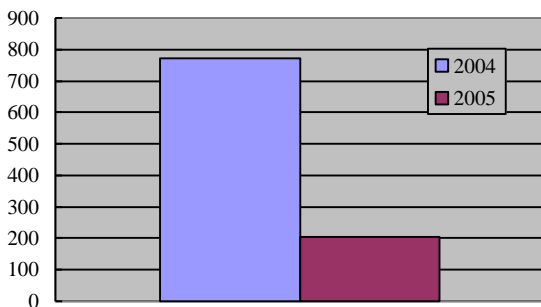


Fig.5 The Confiscating Illegal Salt Between 2004 and 2005

(D) The modern circulation has improved

By the end of 2005, statistics show that salt company is able to distribute salt products to clients within 48 hours, especially for rural areas, mountain areas, etc. Under the guidance of salt authority, a lot of achievements were achieved in 2005 in Beijing. 56 new-added distribution lines were established. The new-added distribution clients and stores are 1646 and 1927 respectively, as shown in Table 1.

Table 1 The Statistics of Modern Salt Circulation Construction in 2005

New-Added Distribution Lines	New-Added Distribution Clients	New-Added Distribution Stores
56	1646	1927

Source : China Salt Company Beijing Branch Unit: piece

THE ADVICE FOR IMPROVING ISRAC

In my opinion, in order to maintain and improve Israc, the salt authorities should focus on the aspects mentioned below:

(A) Continuing to strengthen salt industry management

It is necessary to adhere to authorized policy in salt industry in China, because the salt policy made by government has been playing a positive role over 10 years since the first national regulations issued in 1994. The main pillar of authorized salt management system is salt company, which is the base of implementing salt management policy. At present, in order to get an efficient modern circulation in salt industry, it is necessary to reform management, but first of all, we must adhere to authorized salt policy, which has shown an effective role in salt management and operation.

The aim of reform is to strengthen the guidance of salt authority by the means of regulating different salt companies. Those authorized salt companies, which can not match the demand of market, must be cancelled. Through salt management reform, a more efficient modern circulation system should be established in China, which means a better salt service in China. So, Chinese salt industry can provide edible iodine salt efficiently with a good result, presenting on a high Israc.

(B) More focusing on rural area

Beijing practice tells us that rural area is a key to improve Israc. Salt company should treat establishing rural distribution as a major measure to establish modern circulation system, which does not only focus

on urban areas, but also rural demands. Salt authority should issue policy which encourages salt company to establish distributor in rural areas and place a focus on rural market. By using modern sales method, such as establishing chain-store, the supply of edible salt in rural area should be enlarged, aiming to provide convenient access to rural citizens. Salt company also could build up a three-level-distributing system, which includes city distributor, county distributor and village distributor, to accomplish salt delivery in rural areas. By the means of rural distribution construction, it is possible to supply sufficient and qualified edible salt in rural areas, which means a high and stable Israc.

(C) Strengthening modern salt circulation construction

The symbol of an efficient authorized salt system is a modern salt circulation system, which is a base of improving Israc. Currently, in order to establish a modern salt circulation, the main method is to build up a salt distribution system, salt IT system, etc. Under authorized salt policy, we should reform the way of circulation in salt industry, such as multi-level distribution channel, more distribution centers, etc, which obstruct the development of salt industry. In 2005, a regulation, introducing guidance on how to establish a modern salt circulation, was issued by national salt authority. Salt company should learn it thoroughly, and work hard to establish salt distributor according to guidance, aiming to increase sales greatly and enhance operation efficiency.

(D) Striking on illegal salt sales business

With authorized salt policy, striking on illegal salt business is an important task of salt authority. So, salt authority should enforce various actions to strike on illegal salt business, which could guarantee the stability of salt market. The main task of salt authority is to cut off illegal salt inflowing channel and increase enforcement frequencies. Once an illegal salt business is uncovered, a prompt action must be taken

without any delay. In the mean time, salt authority ought to propaganda national salt policy during the action, teaching people how to distinguish salt products, which could establish a stable salt environment to assure Israc.

(E) Revising salt regulations

At present, most of salt regulations and laws were issued in last century in 90s. Comparing with current situation, some items can not match current demand, which obstructs salt authority's action in striking on illegal salt business. So, it is necessary to revise some items of salt laws and regulations. In my view, some items should be cancelled and some new items should be added.

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