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## Environmental Valuation in SW-China: Experiences from a Survey Study in Xishuangbanna

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### Abstract

The contingent valuation method (CVM) for the assessment of the social value of environmental benefits accruing from public projects has gained increasing popularity in countries in transition from planned to market economies like e.g. China. However, it must be scrutinized whether this method is transferable from the socio-economic context of industrialised market economies where it was originally developed to transition economies.

Since the CVM relies on household interviews and, therefore, on personal statements of the household members, it is susceptible to a multitude of biases resulting from problems of perception and correct understanding as well as from other psychological or even socio-cultural factors. This is especially true in a society like China that has little experience with the formation of prices in free markets. This study scrutinizes the possibilities of applying the CVM in such a transition economy by conducting an economic valuation of land-use changes in the Nabanhe National Nature Reserve in tropical Xishuangbanna, SW-China. In a CVM survey, residents of the nearby city of Jinghong were asked their willingness to pay for a governmental program to convert rubber plantations back into forests.

In particular, this survey explores the survey population's knowledge and awareness of environmental changes taking place in the nature reserve about 30 km away and to what extent they feel possible consequences of rubber plantation there on their lives in town. In this context, the question arises whether Chinese people dare at all to criticise government measures like the extension of rubber plantation. Further, we analyse if people in China are willing to sacrifice personal market consumption opportunities for environmental improvements and, consequently, are willing to pay for the proposed rubber conversion program. Thus, it is essential to find out to what extent Chinese people rely on government for environmental improvement and how much they are willing to take personal responsibility for the state of the environment and, as a result, contribute to these improvements themselves. In summary, this study scrutinizes whether Chinese people who have so far not gained much experience with market economy are able to express their utility in monetary terms.

**Keywords:** China, contingent valuation, rubber