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“Development on the margin”

New Changes, Challenges and Responses for Chinese Rural Institutional System – Empirical Case of Manggang Village in Yunnan, China

LU CHEN

University of Bonn, Institute for Food, Beverage and Resource Economic, Economic Sociology Department, Germany

Abstract

The marketisation reform in China has been carried out for more than thirty years. In Chinese rural areas the reform deeply affects socio-economic life, challenges traditional social system and demands new appropriate institutional forms for its further development.

MangGang village is a natural village in GoLiGong Mountain area in Yunnan, which is one of UNESCO world heritages. It is deeply influenced by market economy despite of its remote location. Because of its cash crops production, such as coffee and sugarcane, it has become a relatively wealthier village and indirectly assists the economic development in other poorer villages nearby. Its function as a leading role is significant. On the other hand its traditional institutional structure is facing increasing challenges as a result of marketisation. It becomes difficult to coordinate the requirements from economic development, public service, labour optimisation and biodiversity protection. Government, farmers and grassroots NGOs attempt to solve these problems in their own ways. However an efficient governance system which will be able to support its social, economical and environmental developments in a sustainable way has still not been found.

The paper examines the new demands and challenges came from marketisation in local institutional system. The socio-economic changes in MangGang over the last ten years will be outlined. To deal with institutional voids, the activities and efforts in government, farmers and grassroots NGOs will be evaluated on the basis of each contribution to a sustainable development. From a social capital perspective, the community-based development strategy in MangGang will be researched. Finally the feasibility and possible functions of fair-trade movement will be critically discussed in terms of resource organisation and coordination among various actors.

Keywords: Governance system, marketisation, rural institution, socio-economic changes, sustainable development, Yunnan, China