

CHAPTER I

INTRODUCTION

1.1 Background

During the last ten years, an interest in Non-timber Forest Products (NTFP) has taken the world by storm, based upon in the global framework of Sustainable Development. The framework integrates environmental management and economic development. Therefore, the underlying reasoning for the current interest in NTFP, that see increased commercial use of NTFP as promoting better forest management, reflects this framework. Meanwhile, commercial opportunities for NTFP are emerging throughout the world as economic liberalization is opening new markets and governmental decentralization and democratization is enabling communities to have greater role in the management of forest resources. But what will be the impact of increasing commercialization, globalization and conservation of resources and what are the local responses to those impacts?

At present, in China, the government has also adopted the framework of Sustainable Development. Hence, NTFP attract considerable attentions from government officials, scholars, developers and practitioners. It has also become a hot topic in forestry management and sustainable development. This thesis, therefore, attempt to explore existence of achievements and problems of NTFP commercialization and globalization process taking place in rural Chinese society today, through making insight into NTFP commodity chain. At first, it is significant to briefly introduce the Chinese context of commercialization and globalization process at both macro and micro levels, and the emergence of NTFP utilization in general here.

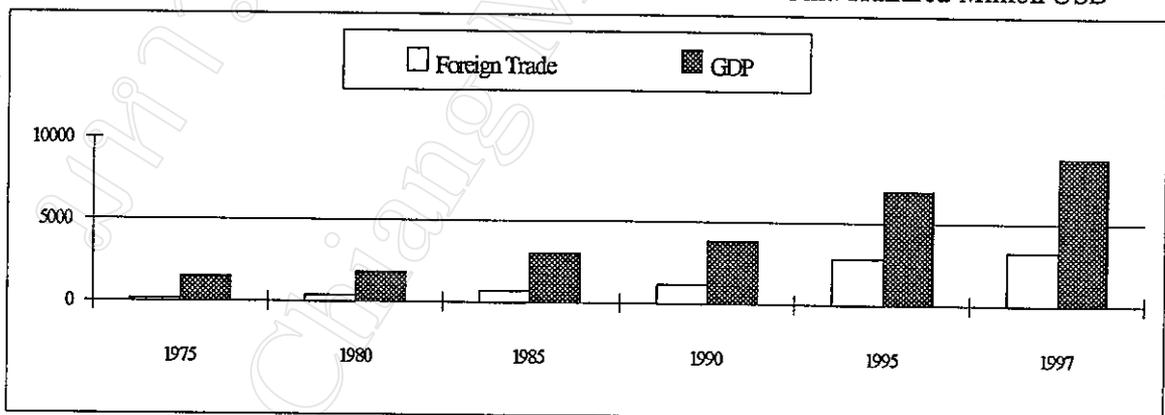
1.1.1 Two Decades of Opening and Reforming in China at Macro Level

Under Deng Xiaoping's policy of "Opening and Reforming China", the country has gone through several stages of dramatic change in economic system to establish her

international linkages since 1979. Economists, sociologists as well as politicians explain “commercialization” and “globalization” as that dramatic changing process, which have had major impacts on many parts of China in last two decades. The former term depicts the process that China transformed from “central planning economy” in Mao era which fundamental tenet is that all economic activities should be removed from the “commodity production and distribution economy” where market principles prevail (Yabuki, 1995), into “socialist market economy”. In other words, all activities after reform, from material goods production through to final distribution are undertaken through market mechanism. This is aimed to improve efficiency in resource allocation, while macro economy continues under control by government. In contrast to Mao’s “isolation economy” under the name of “self-reliance”, the term “globalization” emphasized an integration of Chinese economy with global economy system. It also includes the development of foreign trade; and the increasing international trade, foreign investment, and international cooperation can be observed (see figure 1-1).

Figure 1-1: GDP and Foreign Trade Growth in China From 1975 to 1997

Unit: Hundred-Million USD



Source: *New Chinese Economy Five Decades: 1949-1999*, by Zen et al. 1999; China Plan Press.

Currently, Chinese government has promoted a national opening strategy which aims to be a member of the World Trade Organization (WTO). This is a key step to engage China in international market links, and simultaneously accelerate deep

reforming and opening. The consequence of the “Opening and Reforming China” policy are best illustrated by the rapidly growing economy (see figure 1-1), which lifted the millions of people out of poverty (see table 1-1) and the increasing role of China in global economic system, during the last past decades (Evans et al., 2000; Yabuki, 1995; He et al., 2001; FAO, 1998; Muldavin, 1996; Zhao and Zhang, 1998; Zhao, 1996; Zuo and Xu, 2000).

Table 1-1 Standard and Population of Poverty in China From 1978 to 1999

Year	1978	1984	1986	1988	1990	1992	1994	1998	1999
Standard (RMB)	100	200	213	236	300	317	----	635	----
Population (Million)	2500	128	131	96	85	80	70	42	34

Source: *Study of Community Forestry Development and Anti-Poverty Mechanisms* by Lui et al 2000; China Agricultural Science Press

According to Figure 1-1, the great economic growth was manifested, after “Reforming and Opening” policy. GDP growth rate in 1981-1996 attained 10.1% in average, which also is a highest rate in the world. In the mean time, figure 1-1 also demonstrates the relationship between foreign trade growth and GDP growth. The percentage of foreign trade in GDP increased from 9.69% in 1975 to 36.05 % in 1997. Thus, along with the rapid growth of foreign trade, GDP increased rapidly. It indicates the great contribution of economic globalization to Chinese economic development. On the other hand, Table 1-1 shows the significant effects of “Opening and Reforming” policy in poverty alleviation. We can find that the population of poverty decreased dramatically, although the standard used for measuring poverty was progressively raised. Figure 1-1 and Table 1-1 shows distinctive evidence of the positive consequences of commercialization and globalization process in the Chinese economy, which were a result of Deng’s “Opening and Reforming” policy.

Initially, the policy of “Opening and Reforming China”, however, focused on the

strategy called “the coastal area/zone development¹”. That firstly reformed and opened the East Coastal Region in early 1980s as national pilot program area for an overall economic reform. It was planned that some economic gains would then trickle down to a wider population and be distributed to the Central and West China (see Table 1-2).

Table 1-2: GDP in Eastern, Central and Western China From 1978 to 1996

Unit: Hundred Million RMB

	1978	1980	1982	1984	1986	1988	1990	1992	1994	1996
East(GDP)	1818	2296	2799	3734	5113	7765	9899	14593	26526	39727
Center(GDP)	1065	1369	1661	2239	3001	4341	5479	7253	12128	19187
West (GPD)	581	731	871	1153	1542	2247	2951	4001	6563	9670

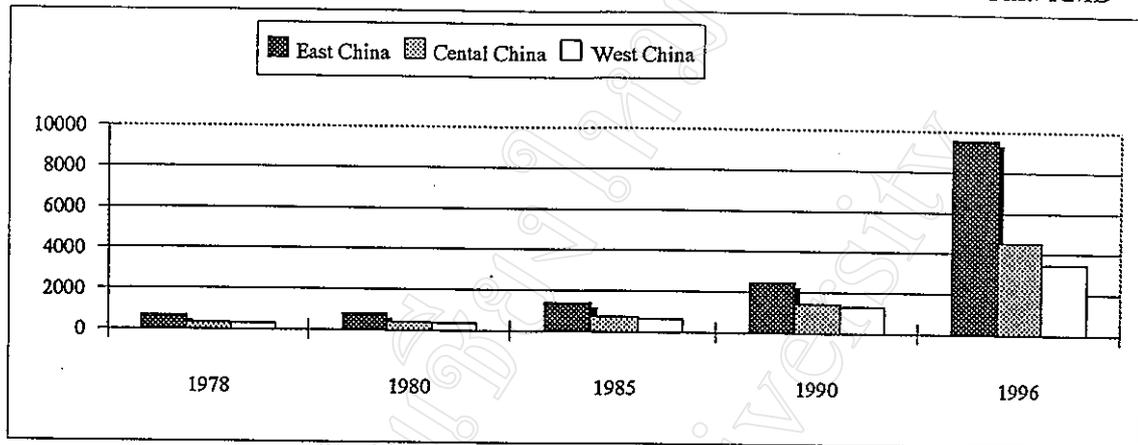
Source: Chinese Statistic Yearbook, 1999

This policy has actually resulted in economic growth concentrated on the east coastal area with an emerging gap between East Coastal Region and West inland, and mountainous region (see figure 1-2, table 1-2). As Table 1-2 shows, the GDP of the West in 1996 was even lower than the East in 1990 for instance. Moreover, as figure 1-2 showed, the GDP per capita in the East are also much higher than the West and Center. Western China, especially mountainous region, thus, continues addressing a development dilemma of “rich resources and poor people”. On the other hand, the rapid uneven economic development and population growth have further brought the mountain regions into serious environment problems.

¹ The east coastal development and opening priority, latter called the “Coastal Development strategy” dominated the party’s and government’s policy, in the initial period of “Opening and Reform”, under Deng’s “get rich first” principle, which was derived from his famous “white and black cats” philosophy: it doesn’t matter whether a cat is white or black; if it can catch mice, it is a good cat. (Evants et al, 2000; Zhao, 1996)

Figure 1-2 Comparison of GDP Per Capita in China among Eastern, Central, and Western Regions 1978---1996,

Unit: RMB



Source: Chinese Statistics Yearbook, 1999

Therefore, a new initiative under cooperation with the World Bank and IUCN has designated a number of National Parks (NP) and Nature Reserves (NR) to be the protected areas of biodiversity and environment. Moreover, Natural Forest Protection Plan (NFPP), which was widely known as “logging ban” was launched after the occurrence of a big flood on Yangtze River in 1998. The West mountainous area, nevertheless, is the main area of focus for these conservation programs, owing to its rich natural resource, especially high forest coverage. Subsequently, although the absolute poverty has been solved in general after economic reform, conditions of both uneven development and environment conservation lead to the poverty problem worsening in the Western and Central China.

During the late of 1990s, Chinese government thus launched a huge development program called “Opening and Developing the West”. This aims to put more investment into and utilize Western Regional rich resource for it developing economy. It is expected to reduce the gap between regional economies. In addition, this policy promotes the principle of “Ecology Priority”, which means economic development should take environmental issues into consideration.

Yunnan, a frontier province in southwest of China, is bordered in the northeast by the Tibet Autonomous Region, in the east by Burma, and in the south by Laos and Vietnam, and is located on the plateau with low latitude. Yunnan have abundant flora and fauna resource so as to be called "Kingdom of Flora and Fauna". However, it is a poor area as compared to the East Coastal Region. Besides, being left out from early national development program, the province is located inland and is made up mostly of remote and inaccessible mountain areas. At recent tendencies, the province and the mountain areas are considered as a key region of international environmental conservation. Many National Parks (NP) and Nature Reserves (NR) have been established in Yunnan (see table 1-3). Moreover, Yunnan's watershed forests are regarded as major protected area with respect to logging ban implementation.

Table 1-3: Categories and Ranks of Nature Reserve in Yunnan

Categories	Total		National Rank		Provincial Rank		Prefecture Rank		County Rank	
	Quant	Area (ha)	Quant	Area (ha)	Quant	Area (ha)	Quant	Area (ha)	Quant	Area (ha)
Forest Ecology	69	13091156	3	422258	25	698388	16	54590	25	133920
Wetland Ecology	6	41037			4	31237	2	9800		
Wild Fauna	12	259131	2	197226	5	57938	4	3767	1	200
Wild Flora	11	42749			10	42082			1	667
Geological Vestiges	3	9513			3	9013	1	500		
Palebiological Vestiges	1	1800			1	1800				
Comprehensive Zone of Nature and Culture	9	329854	1	79700	3	10813	5	10200		
Total:	111	19993240	6	699184	50	1080352	28	78917		

Source: *Yunnan Nature Reserve Systematical Protected Plan* by Yunnan Provincial Department of Forestry, 2001.

In parallel, efforts to assist Yunnan's economy, to alleviate poverty, and to reduce uneven development between the regions emphasize on liberalizing local and national markets. Thus, the provincial government currently launched local policy called "Green Economy" under the climate of "Opening and Developing the West" policy, which aims to use its potential natural resources for achieving development and conservation. According to it, Yunnan is divided into six Green Economy Zones. Each zone should utilize potential resources to achieve sustainable development. This means to encourage Yunnan to go forward with certain programs and projects, which enable local economy to link with the export and the global market. Several supporting mechanisms for building "Green Economy Zone" were also adopted---tax reduction and financial funding and credit for green food manufacture, for example. Clearly, the provincial policies support key steps under globalization process and trends.

1.1.2 Two Decades of Opening and Reforming in China at Micro Level

What changes at local level and how local communities and mountain people are affected, and what resource management strategies and economic responses are occurring in local communities are certainly major current issues. At the micro level, the 1979 land reform policy allocated communes' land to individual households with "Household Responsibility System". This implicates a changing property regime and expanding commercialized activities have brought Yunnan villages into commodity economy (Zhao and Zhang, 1998). Contrasting to "central planning" system under Mao's time, each household may plan and cultivate different products to respond the market demand individually. The effort to deregulate central planning has evidently stimulated diversification of rural production.

Meanwhile, globalization generally introduces international demands to local market and production sphere. At micro level, this process has affected to rural villages especially in Yunnan. Many of rural villages have quickly responded to stimulate and diversify local agricultural production, increasing Non-timber Forest Products (NTFP)

collection as well as enlarging their market. The government of Yunnan has made continuing investment to improve all infrastructures for facilitating rural market development. The recent Yunnan government's programs have further accelerated the pace of globalization. On the other hand, all over China, rural township and village enterprises (TVEs, including all enterprises in rural areas owned by townships, villages, or private individuals) grew rapidly following the market reform and now play a substantial role in China's economy and rural income growth (FAO, 1998). To summarize, liberalization of market strengthens incentive to not only individual production, but also rural enterprise development.

Table 1-4 shows the changes in components of rural householder income generation from 1978 to 1992, by comparing farming sector and non-farming sector. Along with the liberalization of rural markets and the development of rural township and village enterprises, the source of income generation and production activities was diversified. The non-farming sector started to become an important component of rural income generation. This implies not only a rapid increase in rural income generation, but also an increase in potential income sources contributed by liberalization to rural development.

However, rural community in Western China especially mountainous area could not fully benefit from initial market liberalization, due to "spatially prioritizing coastal development" policy. In addition, the global trend of environmental conservation also become a restriction to local communities utilizing their resources to develop their economy, particularly after the establishment of National Park (NP) and Nature Reserve (NR) as well as implementation of the logging ban.

Table 1-4 Components of Rural Householder Income Generation 1978-1992

Year	Net Income Aver. Per Capita	Income in Farming Sector		Income in Non- Farming Sector	
		RMB	%	RMB	%
1978	122.9	113.5	92.4	9.4	7.6
1980	166.4	149.6	89.9	16.8	10.1
1985	350.1	263.8	75.3	86.3	24.7
1986	374.7	279.0	74.5	95.7	25.5
1987	418.4	300.8	71.9	117.6	28.1
1988	494.0	345.6	70.0	148.4	30.0
1989	540.3	371.7	68.8	168.6	31.2
1990	565.2	398.1	70.4	167.1	29.6
1991	638.9	460.6	72.1	178.3	27.9
1992	703.4	486.9	69.2	216.5	30.8

Source: *Study of Community Forestry Development and Anti-Poverty Mechanisms* by Lui et al., 2000; China Agricultural Science Press

1.1.3 Emergence of Non-Timber Forest Products Utilization in Forestry Management

As compared to timber production and logging, extractions of Non-Timber Forest Products (NTFP) generally do not damage extensively the function and structure of natural and regenerated forest. NTFP thus become the most economic valuable products extracted by local people and could potentially become the basis of a development strategy that reconciles the economic, cultural, and ecological values of the ecosystem (Nepstad and Schwartzman, 1992). Therefore, under the tendency of conservation and development agendas, utilization of NTFP and exploiting potential domestic or export markets of NTFP are emphasized for the mountain region development in the southwest China. The NTFP collection and production have high potentials and market

opportunities which would reduce poverty and environmental pressure to mountain regions and Yunnan province.

As He (2000) identified, since the start of the policy of “Opening and Developing the West” in Yunnan, a great achievement is attained by the efforts in protection and sustainable cultivation of the NTFP resources, and utilization and development of their products. It has become the key strategy to promote economic development and poverty alleviation in the mountainous area. In particular, this strategy has been important for improving the livelihoods of people living adjacent to or in National Parks (NP), Nature Reserves (NR) and other protected areas.

At the national level, since the value of NTFP was “discovered”, the market of NTFP has expanded rapidly. According to the preliminary estimate, the output value of NTFP exceeded RMB 4 billion (about 481million USD), and accounted for one-fourth of the total output value of forestry in the country, and foreign exchange earnings from the sale of NTFP reached USD 340 million (Shi, 1998). Recently, NTFP constitute a large proportion of total export of forest products in China. The export market of NTFP has also been developed from it’s focusing on Hong Kong, Taiwan and Japan to a worldwide focus.

Under current trends in economic globalization, environmental conservation, and expanding markets, it seems that commercialization of NTFP might enhance anti-poverty strategies and also provide an alternative forestry management, particularly around National Park (NP) or Nature Reserve (NR) areas in southwestern rural China. Nonetheless, at the local community level, there are many important economic, environmental, and management issues which are required further observation and analysis. Local villages nearby Yunnan’s protected areas are mostly forest-dependent communities of ethnic households who continue their routine in NTFP collection and selling, whilst working to expand their production for local and international markets. It

is interesting to observe the current changes in local livelihoods in NTFP collection, production, and marketing as well as local forest management under emerging condition of globalization and national environmental policies.

1.2 Research Problem Identification

In Yunnan, traditionally, the major purpose of extracting NTFP is for local self-consumption, with a small amounts extracted for barter. Since market liberalization introduced market-oriented development and increasing concerns about environment issues, NTFP has begun to play an important role in local livelihoods, export, regional economic and environment development along with the tendency of commercialization and globalization. Furthermore, because export of NTFP can generate foreign exchange, more and more potential export markets of NTFP are being sought with the support of provincial government. Within the political climate of “Opening and Developing the West”, special attention to institutional and management issues relating to NTFP utilization and commoditization are addressed at regional and local levels in China

Firstly, in terms of resource management institution, as Arnold and Ruiz-Perez (1998) pointed out, the increasing effect of market forces and state intervention introduces the important dimensions that can weaken local institutional capacity and arrangements to manage forest resources. It became the main cause of NTFP overcollection. On the one hand, the state claims ownership of the forest in Nature Reserve (NR) and National Park (NP), which also tie property rights of NTFP to the forest and tree. Those changes of property regime lead to undermining local resources management institutions. However, with respect to the legal sphere, owing to government attention focusing on the “forest” as consisting of trees and animals, there is often insufficient understanding of NTFP management and legislation (Fox, 1995; Nepstad and Schwartzman, 1992; Rijsoort, 2000). As a result, property regime of NTFP is *de facto* “open access” liable to no enforcement by state. On the other hand, “free”

competition as neo-classical economists have advocated has been accepted widely, and the principle that the market can efficiently allocate resource has had a profound impact on people's management practice along with liberalizing market policy.

Consequently, increasing competition among people and organizations (e.g. private firms, state-owned enterprises) occurred apparently in exploiting NTFP resource. There are thus at least two problems taking place as results of weakened local institution. With respect to ecological aspect, competition of exploiting NTFP in the *de facto* "open access" common-pool enhance intensive harvest which lead to not only scarcity of NTFP resource and species, but also loss of biodiversity, since several animals also rely on NTFP for living. Furthermore, increasing international and domestic consumers' demand became incentive to intensive harvest of NTFP.

With respect to social aspect, another result is breakdown of traditional close social relation. Instead, competition, conflict, dispute, distrust relationship are articulated which are attributed to increasing competition, individualism and scarcity of resource. Conflict and dispute emerging not only among local people who are apt to maximize profit respectively; but also between local people and local government; the former tend to improving standard of live by utilizing resource, the latter are apt to protect environment for accomplishing central command of environmental conservation. Under those circumstances, overcollection and contestation of NTFP resources are an inevitable result of weakening management institutions.

Secondly, from the economic point of view, commercialization and globalization of NTFP are aimed at combating poverty at local level. However, the market chains of NTFP involve not only local people and consumers, but also processors, transporters, exporters, wholesalers, retailers and so forth. Thus, various stakeholders involve in NTFP trading under an uncertainty conditions of market. The question of benefit-sharing among different actors associated with NTFP trading should be addressed.

Empirically, several obstacles to marketing NTFP might contribute to unfair benefit-sharing. 1) Local groups are always inaccessible to information, particularly the information relevant to the market, production, prices and trade. Hence, rather than valuating reasonable price to strengthen local people's bargaining position in NTFP price system (Fox, 1995; Rijsoort and He, 2001), devaluation of NTFP always hinders anti-poverty strategy. 2) At the local level, restricted infrastructure and processing possibilities constrain market value of the products added locally. These factors also confine products, which only can be traded seasonally rather than non-seasonally. Hence, using supply to control price is impossible. 3) Various stakeholders involved in trading NTFP are associated with unequal balance of power, which may lead to unequal benefit-sharing. In some cases, the middlemen who are usually responsible for purchasing, transporting, and selling NTFP are often as parasitic intermediaries who accumulate wealth at the expense of poor forest-dwelling extractors (Nepstad and Schwartzman, 1992).

Therefore, due to expanding NTFP collection and trading, benefit sharing among actors, and management of NTFP collection zone, practices in actual access of households should be analyzed, and a broad observation and understanding on the strategy of poverty alleviation in promoting NTFP should be re-examined. Regarding to NTFP trade, whether local people who want to escape from poverty are apt to increase intensive harvesting of NTFP, which inevitably lead to the scarcity of resources?

In summary, the very issue is how local communities, NTFP collectors and production groups respond to liberalizing market and globalization. Local groups need to form effective strategies for expanding NTFP extraction, ensuring its sustainability, and enhancing its value for development and conservation. This study has observed and analyzed existing local NTFP collection and production, and how local groups arrange relationships with different actors in the local market and selling for export market, and

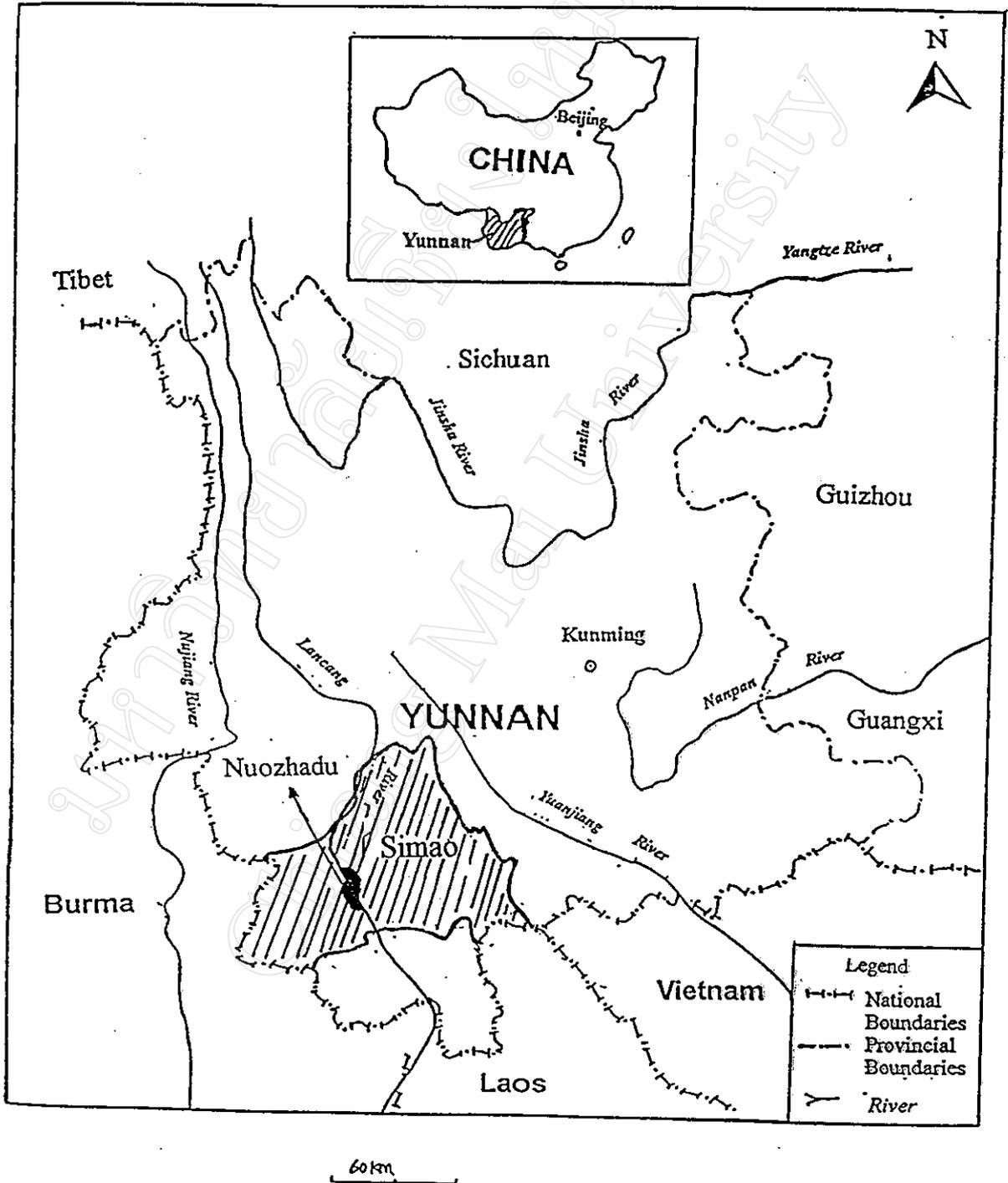
how they adjust local forest management practice.

1.3 Description of Study Site and Significance of Research

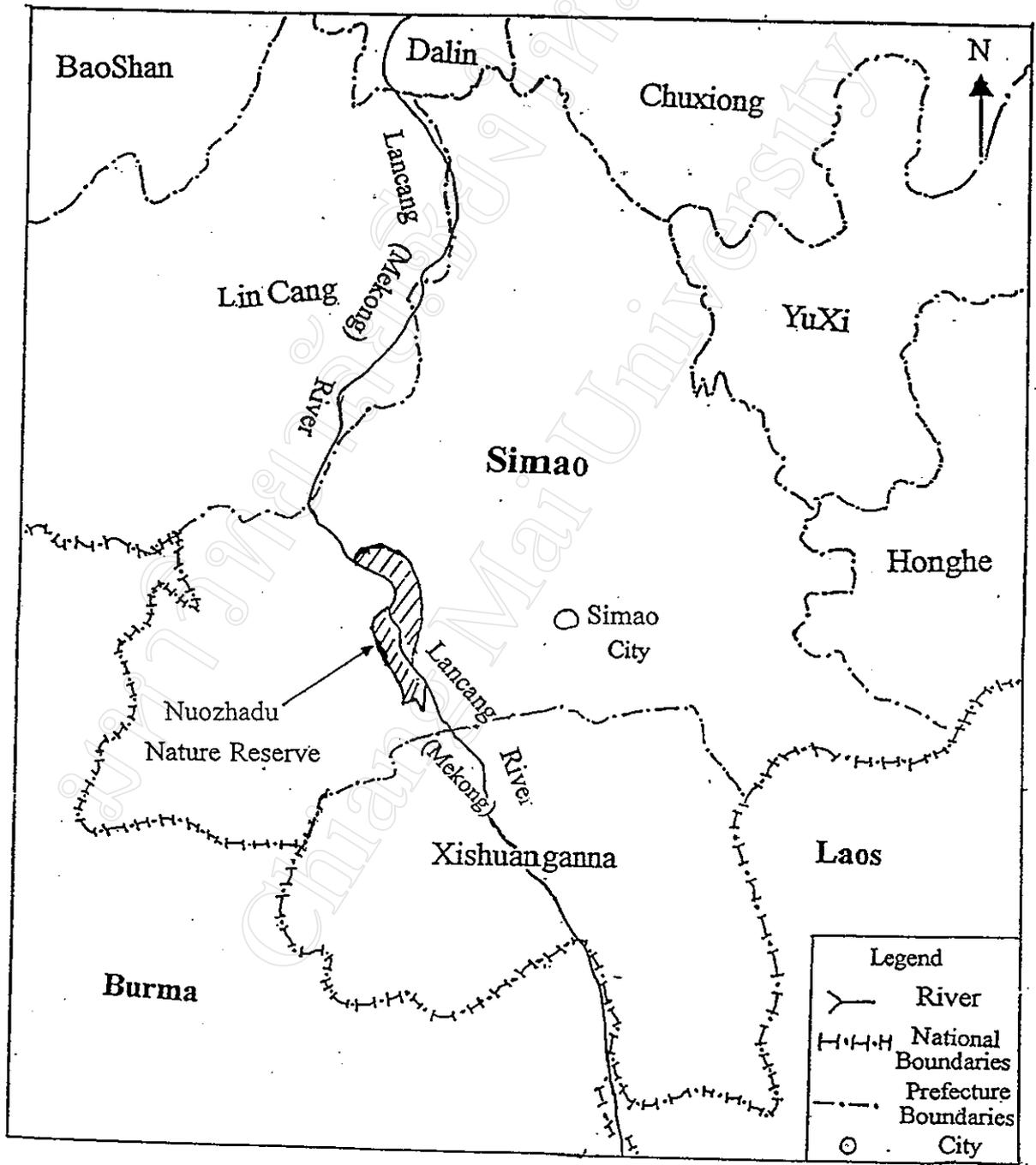
My research site is Nuozhadu Nature Reserve (NNR) in Simao prefecture, Yunnan province, China (see map 1-1, 1-2,1-3). The Nature Reserve was set up in 1996 and covers 21,679 ha land. As a provincial rank Nature Reserve, the core zone and buffer zone have not been classified. However, since it possesses a rich forest resource, there are abundant propagation species, and the richness of flora and fauna is one of infrequent region in China, most administrative regulations applied in the Reserve are following National Rank Nature Reserve Regulation. Since it established, it has unavoidably caused a number of negative impacts on local people's livelihood. Subsequently, the significance of extracting and selling NTFP in local development has increased. In particular, due to high bamboo forest and pine coverage in NNR (Nuozhadu Nature Reserve), collecting and selling bamboo shoots and tapping pine resin become the major source of cash income generation for most households who live in or around Nuozhadu Nature Reserve.

In order to protect forest and avoid overcollection of NTFP, joint management committee was created by local Conservation Agency and local villagers. On the other hand, with regards to economic dimension, not only local collectors, but also local private sectors, state-owned enterprise as well as various traders have been involved in bamboo shoot and resin marketing as well as marketing of other kinds of NTFP. Joint management also plays a role in regulating bamboo shoots and resin marketing. Furthermore, it also should notice that Simao prefecture had been divided as a "Green Economic Zone" for develop green economy (e.g. green food) based on raw material vis-à-vis Lijiang prefecture basing upon ecotourism development. As a result, to develop bamboo shoots and resin extraction and process can take advantage of "Green Economy" policy for local development.

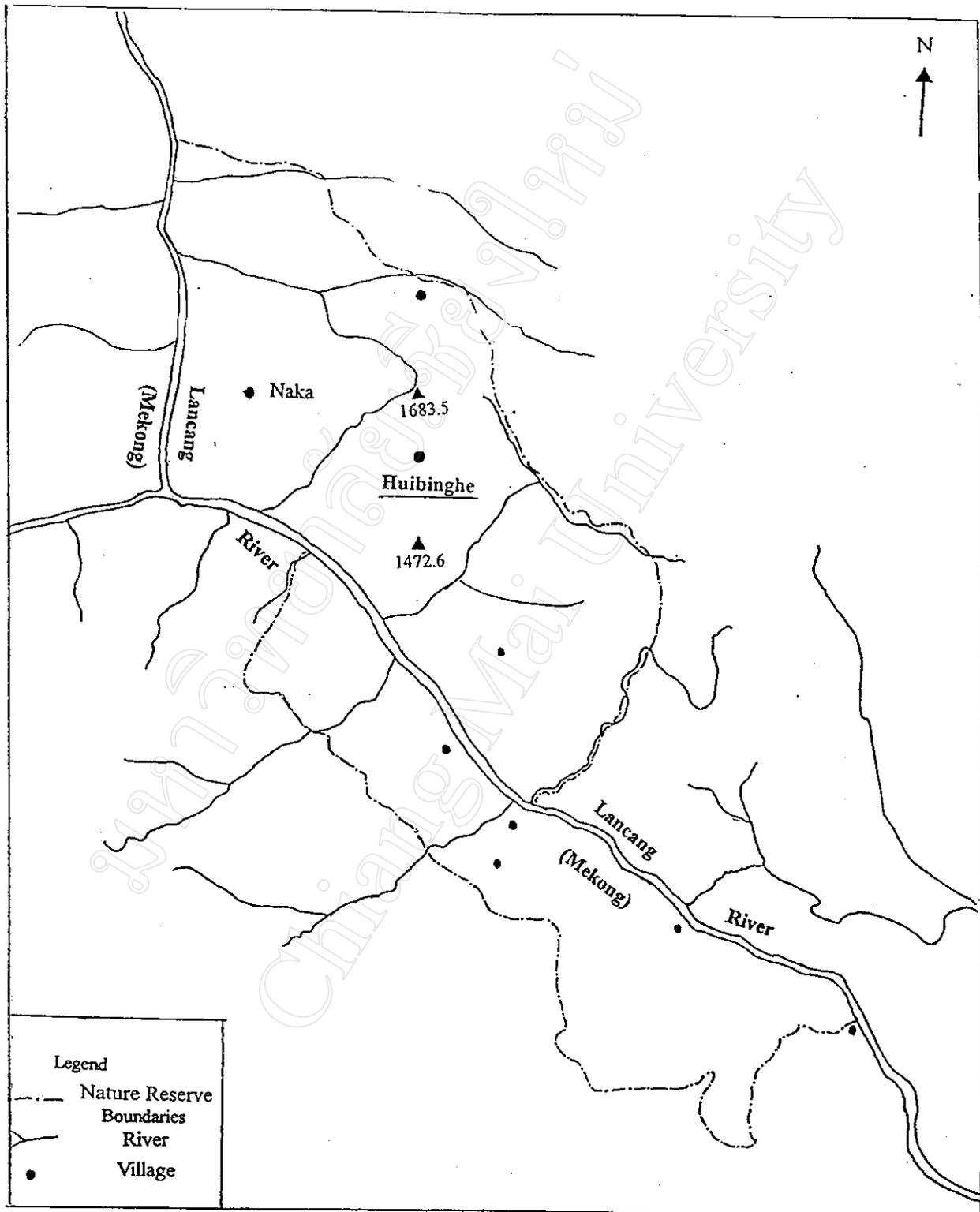
Map 1-3 Map of Nuozhadu Nature Reserve



Map 1-2 Map of Simao Prefecture



Map 1-1 Location of Nuozha du Nature Reserve



Therefore, two key issues should be studied for identifying the existence of problem and achievement in Chinese rural transformation. First, due to market intervention and establishment of Nature Reserve, what roles are joint management committee playing and how to play the roles for sustainable utilization and protection of NTFP in order to avoid the negative impact of globalization and Nature Reserve establishment? In particular, how joint-management arrange sustainable utilization of bamboo shoots and resin will be emphasized.

Second, due to uncertainty of market conditions, how does joint management enable fair benefit-sharing in dealing with both NTFP resources use and with different NTFP trade deals of the wide range of trading groups, township enterprises, and local markets? In addition, what recommendations and suggestions for both Nature Reserve governance and fulfillment of “Green Economic Development” in Simao prefecture can be concluded by empirical data and analysis for application of local joint forestry management and commodity chain of NTFP to national and regional levels?

To do so, Huibinhe, a natural village entirely located inside Nuozhadu Nature Reserve, was selected as the sample of this study. There are two ethnic groups co-existing in this village, Han and Yi people. Both of them are highly depending upon NTFP production, as their major source of cash income, which reach at 60% of their income percentage in average. Moreover, it co-established its joint management committee with local management in 1999.

1.4 Research Questions and Objectives

Within the broader framework of the questions outlined above, this research specifically seeks to investigate the following questions:

- I. What are impacts of globalized market on local NTFP production, especially bamboo shoot or resin marketing?
- II. How are bamboo shoots and resin market organized locally with respect to the various economic role and functions fulfilled by participating individuals, firm, and institution responding to two local conditions of “price-based” and “non-price-based” structures?
- III. How do local institutions guide various actors’ access and control of NTFP commodity chain?
- IV. How do local institutions respond to NTFP commodity chains, and what are their performances of those responses?

In addition, to understand the institutional dynamics of the local community, I looked into NTFP management, especially the institutional arrangement of local people’s access to NTFP. Besides, The comparative perspective to make insight into bamboo shoot and resin commodity chain and institutions related to the above questions was also hold.

In this study, the main objectives are as follows:

- To identify how globalized market impacts on NTFP production, especially bamboo shoot and resin marketing;
- To understand how bamboo shoot and resin market are organized locally in accordance to both “price-based” and “non-price-based” mechanisms, and who are involved in its trading;
- To investigate how local institutions guide various actors’ access to and control of NTFP commodity chain;
- To study how local institutions respond to NTFP commodity chain via their day-to-

day practice; and

- To provide a comparative dimension of bamboo shoot and resin commodity chains and institutions.

1.5 Organization of this Thesis

This thesis is organized into seven chapters. Chapter II discusses the theoretical background and reviews relevant literature for NTFP research. Firstly, previous studies of NTFP management in China will be reviewed to present a general context. Secondly, A commodity chain approach to analysis NTFP management and marketing will be constructed. The general background of commodity chain approach is based on the theoretical debates on it among neo-classical scholars, anthropologists and political scientists. Then, by broadening political ecology notion of access, the concept of access was reconceptualized for commodity chain analysis. Final part of commodity chain approach is to integrate the concept of institutional dynamics into commodity chain analysis.

In chapter III, the relevant theories and concepts are synthesized and reconceptualized to form a conceptual framework for guiding empirical studies. Further, this chapter introduces the methodology applied, duration, steps design in this research. It is composed of methods of data collection and analysis, fieldwork and thesis writing schedule.

Chapter IV presents historical perspectives of NTFP management and marketing at multi-levels during four key periods in order to promote understandings of my research site context. The first period is introduction of Huibinhe community and NTFP utilization before 1949. In the second, I make insights into the links between collectivization policy and NTFP Utilization. Third is the period after Market Reform in

which is the emergence of NTFP commercialization and globalization. The final one is after the establishment of the Nuozhadu Nature Reserve. I explore the management and marketing activities changes during those four periods in Huibinhe and the whole nation.

Chapter V attempts to map access and actors along with NTFP commodity chain, which encompassed domestic and international chains. The differentiated social actors involved in the chains are identified. Moreover, adopting both quantitative and qualitative methods, I also examine the vertical and horizontal income distribution among those differentiated social actors along with the chains. Finally, the institutions along with those chains, which underpinned social actors' access to commodity chains, are examined.

In Chapter VI, I discuss local institutional responses to commodity chain, which include local creations of institution in guiding local market and joint management building. It also attempts to understand the institutional dynamics by examining different actors' responses to and practices in commodity chain. Chapter VII concludes the thesis by drawing together the theoretical and empirical material presented throughout the thesis, the policy implication of the study are recommended as well in this chapter.