

**Tourism and the Sustainable Livelihoods  
Approach: Application within the Chinese context**

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**A thesis  
submitted in partial fulfilment of  
the requirements for the Degree of  
Doctor of Philosophy**

**at  
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**by  
Fujun Shen**

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# **ABSTRACT**

Abstract of a thesis submitted in partial fulfilment of the requirement for the  
Degree of Doctor of Philosophy

## **Tourism and the Sustainable Livelihoods Approach: Application within the Chinese context**

By

Fujun Shen

Tourism has been increasingly used for, and directly linked with, rural poverty reduction in developing countries. In recent years, it has, however, been criticised by rural developers for its lack of concern for the rural poor and for being too increasingly focused on tourism specifically. Instead, it is argued that these inadequacies can be addressed by the Sustainable Livelihoods Approach (SLA), a widely used organising framework for facilitating poverty reduction. But the application, and to an extent the principles, of the SLA may not fully fit the tourism situation, and vice versa. Therefore, a comprehensive understanding about the relationship between the SLA and tourism needs to be explored.

This thesis incorporates a review of the literature on rural and tourism development. Gaps between the SLA and tourism are identified. It is suggested that the SLA cannot fully address the issues when tourism is used as a rural livelihood strategy. New knowledge and thinking are needed. Based on the literature review, a Sustainable Livelihoods Framework for Tourism (SLFT) is proposed as a guiding tool in rural development when tourism is a livelihood strategy. For testing the applicability of the SLFT, a mixed methodology and case study research method was adopted. Three mountainous rural villages, respectively at involvement, development and rejuvenation Tourism Area Life Cycle (TALC) stages, in central China, were examined. Before implementation of the case study, SLFT indicators were firstly developed.

Findings show that the SLFT provides an overall organising framework for the consideration of rural development using tourism as a livelihood strategy at all stages of

TALC. Revisiting the SLFT, it is argued that an additional *attraction capital* should be added to the SLFT. Attraction capital includes natural, cultural, and other attractions, and is defined as all resources used to attract tourist arrivals from which local people benefit for better livelihood objectives. Based on the findings, the SLFT and its key elements are revised to offer a more complete insight and understanding of a tourism livelihood system for the purpose of tourism planning and management. Particular attention is drawn to the newly introduced concept of institutional capital, mainly evidenced in community participation practice. Appropriate institutional policies and practices can ensure local people share the benefits from tourism. The implication of a participatory approach is extended to access to tourist markets, benefit sharing, as well as participation in the decision-making.

This research indicates that improvement of livelihood assets by tourism enhances local people's resilience to vulnerability contexts. Institutional arrangements play an important role in mediating this process as well as the impact of vulnerability contexts through the planning portfolio (e.g., planning, policy-making, and legislation). Future research is suggested to evaluate and improve the SLFT's applicability in multiple development contexts, and to explore ways of further developing SLFT indicators as a means for evaluating the usefulness of the SLFT.

**Key words:** rural development, tourism, sustainable livelihoods approach, sustainability, community participation, sustainable livelihoods framework for tourism, indicators, China

## PREAMBLE

This research explores how tourism, as a livelihood strategy, works in rural China. Three mountainous rural villages in Luanchuan county in central China were selected as case study sites and were examined. Data were collected in 2006 and 2007. However, when completing thesis field investigations, the world experienced a worldwide economic crisis which started in late 2008. Together with the recent outbreak of H1N1 influenza in April 2009, world tourism has encountered considerable challenges. Has tourism in the three villages been influenced by the economic trends and shocks from diseases? How will local people cope with these shocks? As a follow-up, I recently collected some information about tourism development in the three villages as well as in China generally. According to the speech addressed by Qiwei Shao, the Chairman of the National Tourism Administration of the People's Republic of China, at the National Tourism Workshop 2009 held on 7<sup>th</sup> January 2009, the world economic crisis apparently influenced Chinese international tourism in 2008. International tourist arrivals fell by 2%. However, Chinese domestic tourism seems not to be affected by the economic crisis and domestic visitors continued to grow by 6%. The three villages all target the domestic tourist market and there appears to be no indication that tourism in the three villages has been influenced by the economic crisis, or the H1N1 influenza, based on the speech given by Xiaoshu Qian, the deputy mayor of the Luanchuan County Government, at the Luanchuan Tourism Workshop 2009 held on 26<sup>th</sup> February 2009 and the Work Brief issued by Luanchuan Tourism Bureau on 4<sup>th</sup> May 2009. Tourism in the three villages and the county remain on a steady growth path.

The thesis consists of two major parts. The first part is the development of a theoretical model of the Sustainable Livelihoods Framework for Tourism and the second part is the examination of the application of the model. A manuscript based on the second part is underway. The first part has been developed into a published paper. The paper is referenced as:

Shen, F., Hughey, K. F. D., & Simmons, D. G. (2008). Connecting the sustainable livelihoods approach and tourism: A review of the literature. *Journal of Hospitality and Tourism Management*, 15(2), 19-31.

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# CONTENTS

ABSTRACT.....	i
PREAMBLE.....	iii
ACKNOWLEDGEMENTS.....	iv
CONTENTS.....	vi
LIST OF TABLES.....	xi
LIST OF FIGURS AND MAPS.....	xiii
LIST OF PLATES.....	xiv
ACRONYMS.....	xv
<b>CHAPTER 1 INTRODUCTION.....</b>	<b>1</b>
1.1 Research questions.....	2
1.2 Goal and objectives.....	3
1.3 Theoretical contributions.....	3
1.4 Layout of the thesis.....	5
<b>CHAPTER 2 THE SUSTAINABLE LIVELIHOODS APPROACH.....</b>	<b>6</b>
2.1 Introduction.....	6
2.2 Rural development.....	6
2.2.1 <i>Origin of the term of 'rural development'</i> .....	7
2.2.2 <i>The evolution of the 'rural development' concept</i> .....	8
2.3 The sustainable livelihoods approach.....	9
2.3.1 <i>Development of the SLA</i> .....	9
2.3.2 <i>Key features of the SLA</i> .....	11
2.3.3 <i>Key principles of the SLA</i> .....	19
2.4 Chapter summary.....	22
<b>CHAPTER 3 TOURISM DEVELOPMENT.....</b>	<b>24</b>
3.1 Introduction.....	24
3.2 Tourism and poverty alleviation.....	24
3.3 Tourism peculiarities.....	27
3.4 Key tourism principles.....	30
3.4.1 <i>Sustainability</i> .....	30
3.4.2 <i>Community participation</i> .....	37
3.4.3 <i>Dynamism</i> .....	41
3.5 Chapter summary.....	44
<b>CHAPTER 4 SUSTAINABLE LIVELIHOODS APPROACH FOR TOURISM ..</b>	<b>46</b>
4.1 Introduction.....	46
4.2 Development, rural development, and tourism development.....	46

4.2.1	<i>Development</i> .....	46
4.2.2	<i>Tourism development</i> .....	49
4.2.3	<i>Relations between development, SL and tourism development</i> .....	51
4.3	Gaps between the SLA and tourism .....	53
4.3.1	<i>Tourism context versus development tools of the SLA</i> .....	53
4.3.2	<i>Tourism sustainability versus sustainability in the SLA</i> .....	54
4.3.3	<i>Tourism participation versus participation in the SLA</i> .....	55
4.4	Sustainable livelihoods for tourism .....	57
4.4.1	<i>Tourism context</i> .....	58
4.4.2	<i>Livelihood strategies</i> .....	59
4.4.3	<i>Tourism livelihood assets</i> .....	60
4.4.4	<i>Institutional arrangements</i> .....	61
4.4.5	<i>Vulnerability context</i> .....	61
4.4.6	<i>Tourism livelihood outcomes</i> .....	63
4.4.7	<i>Application of the SLFT</i> .....	63
4.5	Chapter summary .....	65
<b>CHAPTER 5 RESEARCH METHODOLOGY AND METHODS</b> .....		<b>66</b>
5.1	Introduction .....	66
5.2	Methodology .....	66
5.3	Research methods .....	68
5.4	Research setting .....	70
5.5	SLFT indicators .....	72
5.6	Data collection .....	80
5.6.1	<i>Data Sources</i> .....	80
5.6.2	<i>Human ethics</i> .....	80
5.6.3	<i>The pilot survey</i> .....	81
5.6.4	<i>Sampling</i> .....	82
5.7	Data analysis .....	88
5.8	Limitations .....	89
5.9	Chapter summary .....	90
<b>CHAPTER 6 THE CHINESE TOURISM CONTEXT</b> .....		<b>91</b>
6.1	Introduction .....	91
6.2	Tourism development in China .....	91
6.2.1	<i>Before 1948</i> .....	91
6.2.2	<i>From 1949 to 1978</i> .....	92
6.2.3	<i>From 1978 to 1985</i> .....	92
6.2.4	<i>From 1986 to 1994</i> .....	93
6.2.5	<i>From 1995 to present</i> .....	94
6.3	Tourism as a livelihood strategy in Chinese rural development .....	97
6.3.1	<i>The first round of land reform (1949-1952)</i> .....	98
6.3.2	<i>The second round of land reform (1978-1982)</i> .....	100

6.3.3	<i>The third round of land reform (1997-1999)</i> .....	101
6.3.4	<i>Tourism as a rural livelihood choice</i> .....	104
6.4	The Henan Province tourism context .....	107
6.4.1	<i>Rural development in Henan province</i> .....	107
6.4.2	<i>Tourism as a rural livelihood strategy in Henan province</i> .....	109
6.4.3	<i>A tourism context of Luoyang</i> .....	111
6.4.4	<i>A tourism context of Luanchuan</i> .....	112
6.5	Geographical profile of the case study sites .....	115
6.6	Vertical institutional arrangements in Chinese tourism livelihood systems.....	116
6.6.1	<i>Changes in the political structure of China</i> .....	116
6.6.2	<i>Influence of vertical institutional arrangement changes on rural livelihoods</i> .....	118
6.7	Chapter summary.....	120
<b>CHAPTER 7 CASE STUDY 1 – TESTING THE SLFT IN THE ‘INVOLVEMENT’ STAGE OF THE TALC</b> .....		<b>122</b>
7.1	Introduction.....	122
7.2	Case study 1: Guanxing.....	122
7.3	A tourism context of Guanxing .....	124
7.4	Local livelihood activities.....	126
7.5	Local livelihood assets.....	127
7.5.1	<i>Human capital</i> .....	127
7.5.2	<i>Social capital</i> .....	128
7.5.3	<i>Economic capital</i> .....	130
7.5.4	<i>Natural capital</i> .....	134
7.5.5	<i>Institutional capital</i> .....	136
7.6	Horizontal institutional arrangements.....	140
7.7	Vulnerability .....	143
7.8	Livelihood outcomes .....	144
7.8.1	<i>Economic sustainability</i> .....	145
7.8.2	<i>Social sustainability</i> .....	145
7.8.3	<i>Environmental sustainability</i> .....	146
7.8.4	<i>Institutional sustainability</i> .....	147
7.8.5	<i>Overall sustainability</i> .....	148
7.9	Chapter summary.....	148
<b>CHAPTER 8 CASE STUDY 2 – TESTING THE SLFT IN THE ‘DEVELOPMENT’ STAGE OF THE TALC</b> .....		<b>150</b>
8.1	Introduction.....	150
8.2	Case study 2: Yangzigou .....	150
8.3	A tourism context of Yangzigou.....	151
8.4	Local livelihood activities.....	154
8.5	Local livelihood assets.....	156

8.5.1	<i>Human capital</i> .....	156
8.5.2	<i>Social capital</i> .....	158
8.5.3	<i>Economic capital</i> .....	160
8.5.4	<i>Natural capital</i> .....	166
8.5.5	<i>Institutional capital</i> .....	168
8.6	Horizontal institutional arrangements.....	172
8.7	Vulnerability .....	173
8.8	Livelihood outcomes .....	175
8.8.1	<i>Economic sustainability</i> .....	176
8.8.2	<i>Social sustainability</i> .....	176
8.8.3	<i>Environmental sustainability</i> .....	177
8.8.4	<i>Institutional sustainability</i> .....	178
8.8.5	<i>Overall sustainability</i> .....	179
8.9	Chapter summary.....	179
<b>CHAPTER 9 CASE STUDY 3 – TESTING THE SLFT IN THE ‘REJUVENATION’ STAGE OF THE TALC .....</b>		<b>181</b>
9.1	Introduction.....	181
9.2	Case study 3: Chongdugou .....	181
9.3	A tourism context of Chongdugou .....	182
9.4	Local livelihood activities.....	187
9.5	Local livelihood assets.....	189
9.5.1	<i>Human capital</i> .....	189
9.5.2	<i>Social capital</i> .....	190
9.5.3	<i>Economic capital</i> .....	194
9.5.4	<i>Natural capital</i> .....	197
9.5.5	<i>Institutional capital</i> .....	199
9.6	Horizontal institutional arrangements.....	202
9.7	Vulnerability .....	205
9.8	Livelihood outcomes .....	208
9.8.1	<i>Economic sustainability</i> .....	208
9.8.2	<i>Social sustainability</i> .....	209
9.8.3	<i>Environmental sustainability</i> .....	210
9.8.4	<i>Institutional sustainability</i> .....	211
9.8.5	<i>Overall sustainability</i> .....	212
9.9	Chapter summary.....	212
<b>CHAPTER 10 INTEGRATION OF CASE STUDIES .....</b>		<b>214</b>
10.1	Introduction.....	214
10.2	Tourism context.....	214
10.3	Local livelihood activities.....	216
10.4	Local livelihood assets.....	216

10.4.1	<i>Human capital</i> .....	216
10.4.2	<i>Social capital</i> .....	218
10.4.3	<i>Economic capital</i> .....	219
10.4.4	<i>Natural capital</i> .....	221
10.4.5	<i>Institutional capital</i> .....	222
10.5	Institutional arrangements .....	223
10.6	Vulnerability .....	226
10.7	Livelihood outcomes .....	228
10.7.1	<i>Economic sustainability</i> .....	228
10.7.2	<i>Social sustainability</i> .....	229
10.7.3	<i>Environmental sustainability</i> .....	230
10.7.4	<i>Institutional sustainability</i> .....	231
10.7.5	<i>Overall sustainability</i> .....	232
10.8	Chapter summary.....	233
<b>CHAPTER 11 DISCUSSION AND CONCLUSIONS.....</b>		<b>235</b>
11.1	Introduction.....	235
11.2	Revisiting the SLFT.....	235
11.2.1	<i>Tourism context</i> .....	235
11.2.2	<i>Livelihood strategies</i> .....	238
11.2.3	<i>Livelihood assets</i> .....	238
11.2.4	<i>Institutional arrangements</i> .....	243
11.2.5	<i>Vulnerability</i> .....	249
11.2.6	<i>Livelihood outcomes</i> .....	252
11.2.7	<i>The revised SLFT</i> .....	253
11.3	SLFT indicators .....	255
11.4	Future research.....	257
11.5	Concluding remarks.....	257
<b>REFERENCES.....</b>		<b>259</b>
<b>APPENDICES... ..</b>		<b>276</b>

## LIST OF TABLES

Table 1. Evolution of development, rural development and tourism development .....	52
Table 2. SLFT indicator matrices .....	- 76 -
Table 3. Matrix of interviewees .....	- 84 -
Table 4. Wealth ranking in the case study sites .....	87
Table 5. Main tourism policies, rules and regulations at each Chinese governance level .....	119
Table 6. Characteristics of respondents in Guanxing.....	124
Table 7. Percent of total family income contributed by each livelihood activity in Guanxing....	127
Table 8. Items a family spent most money on in Guanxing in 2005.....	128
Table 9. Per capita cash income of Guanxing in 2006.....	130
Table 10. House types in Guanxing.....	131
Table 11. Mean scores for economic sustainability of Guanxing.....	145
Table 12. Mean scores for social sustainability of Guanxing.....	146
Table 13. Mean scores for environmental sustainability of Guanxing .....	147
Table 14. Mean scores for institutional sustainability of Guanxing .....	147
Table 15. Overall mean scores for the four key aspects of tourism livelihood outcome sustainability of Guanxing.....	148
Table 16. Mean scores for overall sustainability of Guanxing .....	148
Table 17. Characteristics of respondents in Yangzigou.....	151
Table 18. Percent of total family income contributed by each livelihood activity in Yangzigou	155
Table 19. Items a family spent most money on in Yangzigou in 2005.....	157
Table 20. Per capita cash income of Yangzigou in 2006 .....	161
Table 21. House types in Yangzigou .....	164
Table 22. Mean scores for economic sustainability of Yangzigou .....	176
Table 23. Mean scores for social sustainability of Yangzigou .....	177
Table 24. Mean scores for environmental sustainability of Yangzigou.....	178
Table 25. Mean scores for institutional sustainability of Yangzigou.....	178
Table 26. Overall mean scores for the four key aspects of tourism livelihood outcome sustainability of Yangzigou .....	179
Table 27. Mean scores for overall sustainability of Yangzigou (n=59).....	179
Table 28. Characteristics of respondents in Chongdugou (n=121).....	182
Table 29. Percent of total family income contributed by each livelihood activity in Chongdugou .....	189
Table 30. Items a family spent most money on in Chongdugou in 2005.....	190
Table 31. Per capita cash income of Chongdugou in 2006.....	194

Table 32. House types in Chongdugou .....	196
Table 33. Mean scores for economic sustainability of Chongdugou .....	209
Table 34. Mean scores for social sustainability of Chongdugou .....	210
Table 35. Mean scores for environmental sustainability of Chongdugou.....	211
Table 36. Mean scores for institutional sustainability of Chongdugou.....	211
Table 37. Overall mean scores for the four key aspects of tourism livelihood outcome sustainability of Chongdugou.....	212
Table 38. Mean scores for overall sustainability of Chongdugou (n=121).....	212
Table 39. ANOVA results of the average percentage of family labour in the three villages.....	217
Table 40. Scheffe test results of the difference between the average percentage of family labour in the three villages.....	217
Table 41. Chi-square test results of income breakdown of the three villages.....	220
Table 42. Economic livelihood outcome sustainability in the three villages.....	229
Table 43. Social livelihood outcome sustainability in the three villages .....	230
Table 44. Environmental livelihood outcome sustainability in the three villages .....	231
Table 45. Institutional livelihood outcome sustainability in the three villages.....	232
Table 46. Overall livelihood outcome sustainability in the three villages .....	233

## LIST OF FIGURS AND MAPS

Figure 1. The DFID Sustainable Livelihoods Framework.....	12
Figure 2. Prism of Sustainability.....	34
Figure 3. The Tourism Area Life Cycle.....	42
Figure 4. Relationship between sustainable, rural, and tourism development.....	52
Figure 5. Sustainable livelihoods framework for tourism.....	58
Figure 6. Research concept map .....	69
Figure 7. International and domestic tourist arrivals from 1978-2007 .....	95
Figure 8. International and domestic tourism receipts from 1978-2007 .....	95
Figure 9. The political structures of China.....	117
Figure 10. Tourist arrivals and tourism receipts of Yangzigou tourism .....	153
Figure 11. Tourist arrivals and tourism receipts of Chongdugou tourism .....	187
Figure 12. Political structure movement in a tourist destination.....	249
Figure 13. The revised SLFT .....	254
Map 1. Map of China and Henan Province.....	115
Map 2. Map of Luanchuan County .....	116
Map 3. Map of Guanxing village.....	123
Map 4. Map of Yangzigou village .....	150
Map 5. Map of Chongdugou village .....	181

## LIST OF PLATES

Plate 1. Entry-ticket-selling gate and entry-ticket-verification gate in Guanxing tourism .....	125
Plate 2: Some farm livelihood activities in Guanxing.....	126
Plate 3. Family hotels in Guanxing.....	132
Plate 4. A tricar owner negotiating a price with tourists in the centre of Guanxing .....	132
Plate 5. Improvement of road conditions in Guanxing .....	133
Plate 6. Villagers cut boulders in a local stream to make construction materials. ....	136
Plate 7. Conflicts between the TDC and local people.....	139
Plate 8. A profile of Dong’s family.....	142
Plate 9. Tourism facilities in Yangzigou scenic area .....	152
Plate 10. Entry-ticket-selling gate and entry-ticket-verification gate in Yangzigou tourism.....	153
Plate 11. Family hotels in Yangzigou .....	154
Plate 12. Livelihood activities after tourism in Yangzigou.....	155
Plate 13. House types in Yangzigou .....	164
Plate 14. A passenger van and tricars were waiting for carrying tourist to Yangzigou at one exit of S328.....	165
Plate 15. Improvement of road conditions in Yangzigou.....	165
Plate 16. Tourism and recreation facilities in Chongdugou scenic areas.....	185
Plate 17. Entry-ticket-selling gate in Chongdugou tourism.....	186
Plate 18. Family hotels and other livelihood activities in Chongdugou.....	188
Plate 19: Quarrel at site of family hotel construction.....	204

## ACRONYMS

ACCA21	Administrative Centre for the China's Agenda 21	NFCP	Natural Forest Conservation Project in the Areas of Upstream Yellow River and mid-and-upstream Yangtse River
ANOVA	Analysis of variance	NTRA	Non-tourism-related-activities
ANZALS	Australian and New Zealand Association for Leisure Studies	NPCC	National People's Congress of the People's Republic of China
CARE	Cooperative for Assistance and Relief Everywhere	NTDP	National Tourism Development Plan
CNTA	National Tourism Administration of the People's Republic of China	ODI	Overseas Development Institute of UK
CPC	Communist Party of China	PAOHP	Poverty Alleviation Office of Henan Province
CSD	Commission on Sustainable Development	PGHP	The People's Government of Henan Province
CTAA	China Travel Affair Administration	PGLC	The People's Government of Luoyang City
DFHP	Department of Finance Henan Province	PMSAMA	Peach Mountain Scenic Area Management & Administration
DFID	UK Department for International Development	PoS	Prism of Sustainability
FAHP	Forestry Administration of Henan Province	SL	Sustainable Livelihoods
FAO	Food and Agriculture Organisation of the United Nations	SLF	Sustainable Livelihoods Framework
GDP	Gross Development Product	SLFT	Sustainable Livelihoods Framework for Tourism
GNP	Gross National Product	SLA	Sustainable Livelihoods Approach
HE	Human Ethics	SPSS	Statistical Package for the Social Science
HECLU	Human Ethics Committee of Lincoln University	TALC	Tourism Area Life Cycle
HPBS	Henan Provincial Bureau of Statistics	TDC	Tourism Development Company
HPTA	Henan Provincial Tourism Administration	TRA	Tourism-related-activities
ICCL	International Council of Cruise Lines	UN	The United Nations
IFTO	International Federation of Tour Operators	UNCED	United Nations Conference on Environment and Development
IH&RA	International Hotel & Restaurant Association	UNDP	United Nations Development Programme
(I)NGO	(International) Non-Government Organization	UNEP	United Nations Environment Programme
LDC	Least Developed Country	UNWTO	United Nations World Tourism Organisation
LYRR	Luanchuan Yangzigou Recreational Resort	WCED	World Commission on Environment and Development
LTTDL	Luanchuan County Tanzhou Tourism Development Ltd.	WRI	World Resources Institute
MoAC	Ministry of Agriculture of the People's Republic of China	WTTC	World Travel & Tourism Council
NBSC	National Bureau of Statistics of the People's Republic of China	XNA	Xinhua News Agency, China

## CHAPTER 1 INTRODUCTION

*“Sustainable tourism can be one of the few development opportunities for the poor. Let us use it widely and soon!”* – UNWTO (2002, p. cover page).

Poverty remains a widespread global concern as the world enters the third millennium. As the United Nations has pointed out, more than one billion people still live on less than one U.S. dollar a day, and almost three billion on less than two dollars, despite the successes of economic and scientific technology development (World Bank, 2008). Thus, poverty has become one of the most compelling challenges confronted by human beings in the 21st Century. In September 2000, the United Nations (UN) General Assembly adopted Resolution 55/2 – the United Nations Millennium Declaration which established the goal of halving world poverty by 2015 (UN, 2000). Reducing poverty, since then, has been integrated into many governments’ priority agendas, nationally and internationally.

Although poverty is one of the most compelling challenges confronting humankind, there remain numerous issues when considering scale, form, and evaluation of response within the multiple poverty contexts. As the World Bank (1990, p. 29) points out, “policies targeted directly to the poor can hardly succeed unless governments know who the poor are and how they respond to policies and to their environment”. Based on this understanding, the World Bank adopted different approaches to rural and urban poverty, respectively, in implementing projects towards poverty reduction. This research focuses on the rural poverty context because up to 75 percent of the world’s poor are in rural populations, and mostly in the ‘third world’ (World Bank, 2008).

Key economic activities aimed at rural poverty reduction continue to be primary industries, including agriculture and fishing (Harriss, 1982; World Bank, 2008). While professionals tried to improve rural conditions through approaches to soil fertility improvement, land reform and advanced technology, these development approaches did little to alleviate rural poverty (Aziz, 1978; Schutjer & Stokes, 1984; World Bank, 2001, 2008). Consequently, conventional approaches which focus primarily on economics are no longer in fashion; activities and a sustainable and holistic approach to rural

development have been called for.

In the 1980s, a new approach to poverty reduction, sustainable livelihoods (SL) and the Sustainable Livelihoods Approach (SLA), was proposed (Conroy & Litvinoff, 1988). Not only does the SL approach consider livelihood ‘assets’ and ‘outcomes’, it also stresses the importance of ‘vulnerability context and transforming structures’ and ‘process’ (Chambers & Conway, 1992; Scoones, 1998; Ellis, 2000; Cahn, 2002). It emphasised holistic and integrated thinking about poverty reduction and rural development, and soon gained popularity among researchers, practitioners and developers (Chambers, 1992; Chambers & Conway, 1992; DFID, 1999a), while still typically being focused on agricultural practices (FAO, 2002; Larkin, 2004; Start & Johnson, 2004).

Tourism is now the biggest and fastest growing industry in the world, having experienced enormous growth over recent decades (UNWTO, 2002). But only recently has tourism’s potential of contributing to rural poverty reduction been introduced and gradually recognised by policy-makers and other stakeholders (Goodwin, 2000; UNWTO, 2002). Unlike agrarian change, the concept of tourism in rural areas originates from developed countries (C. M. Hall & Page, 2002). Research regarding rural tourism has centred on aspects of tourism products, marketing, planning and impacts (e.g., Page & Getz, 1997; D. Hall, Kirkpatrick, & Mitchell, 2005). This perspective has, however, recently been criticised for its lack of focus on rural livelihoods and poverty reduction, with some contending that this deficiency can be addressed by using the SLA (Ashley, 2000; Ashley, Boyd, & Goodwin, 2000; C. Cater & Cater, 2007; Lee, 2008; Ritchie, 2009; Simpson, 2009; Tao & Wall, 2009). However, tourism has its own peculiarities and has, since the Second World War, formed its own developmental perspectives (Jafari, 1974; Tribe, 1997), and it might not be the same as primary industries for which the SLA was originally designed to work. Thus the existing SLA, or perhaps its application to date, does not necessarily fit the case in which tourism is taken as a livelihood strategy for rural development, and vice versa. Consequently, a comprehensive understanding about the relationship between the SLA and tourism needs to be explored.

## **1.1 Research questions**

Based on the above, the central research questions are:

*Does the SLA necessarily fit the case in which tourism is taken as a livelihood strategy for rural development? If not, what is a sustainable livelihoods approach for tourism? What is its application in practice?*

To answer the main research questions, some subsidiary questions need to be considered.

- Is there a difference between tourism and other rural industries? If so, what is the difference? And, does it affect the way we conceptualise SLA?
- What is a sustainable tourism livelihood?
- How can the components of a rural livelihood system be reconceptualised to fit tourism development?
- How does tourism impact on livelihood assets, strategies, vulnerability contexts, outcomes, and institutional arrangements?

## **1.2 Goal and objectives**

Consistent with the research questions, the goal of this research is to develop and test a sustainable livelihoods framework for tourism (SLFT). Specific research objectives are to:

- review the literature on rural development, SL, and tourism development theories,
- identify gaps between the SLA and tourism,
- construct the SLFT on the basis of the literature review,
- develop SLFT indicators to test the application of the SLFT in a development context<sup>1</sup>, and
- make recommendations for future research.

## **1.3 Theoretical contributions**

There is a plethora of both tourism and sustainable livelihoods research in the existing literature. Although tourism has been deployed as a livelihood strategy used in rural poverty alleviation in recent years, little theoretical knowledge combining these two

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<sup>1</sup> The test of the application of the SLFT is conducted in the Chinese context, and the reasons for choosing China are detailed in Chapter 5.

approaches has been developed to critique and examine this trend. Practitioners have very often been guided in project implementation by one of the two prevailing views. A livelihood perspective focuses more on the rural poor at the individual/household level, while a tourism view places more stress on impacts at a meso community, regional, national, or even international level. Theoretically, both will work and contribute to rural poverty alleviation. However, merely embracing one principle in practice may compromise the other although the SLA and tourism are not opposite and not mutually exclusive. For example, overemphasising the poor's livelihoods with less attention to tourism principles (e.g., tourism planning, marketing, sustainability, and community participation) may negatively affect tourism development and further jeopardise local tourism livelihoods. Conversely, emphasising boosting the tourism industry rather than considering the engagement of rural poor might not achieve rural poverty reduction as the majority of beneficiaries from tourism may be outside investors and local elites, instead of the local rural poor. Thus, comprehensive knowledge gained through combining the SLA and tourism is required. This research systematically examines theories and principles of the SLA and tourism, and integrates the two to develop knowledge of a sustainable livelihoods approach for tourism. Taking China as a case study, the sustainable livelihoods framework for tourism constructed in this research was applied and tested in practice.

In addition, sustainability and community participation are key components of the SLA and tourism research. However their conventional applications in the field of the SLA seem incompatible with those in the field of tourism in theory as well as in practice in terms of scale, scope and extent. Meanwhile, sustainability and community participation themselves are relatively contested and debated concepts. Issues like how to define and measure the sustainability of a tourism livelihood and what implications for community participation are in a tourism livelihood system remain unclear. This research involves a discussion of the two concepts and their application in each field. Based on understanding obtained from this discussion, knowledge about sustainability and community participation in a new field – a tourism livelihood system – was developed and examined.

## **1.4 Layout of the thesis**

The next two chapters comprise a literature review of the SLA and tourism development, respectively. In chapter 2, the evolution of rural development, from which the SLF derives from, is reviewed, followed by an examination of the birth and growth of the SLA. Chapter 3 discusses the peculiarities and key principles of tourism. Also, tourism's increasing role in rural poverty alleviation is discussed, which then directs consideration of the central question of how the SLA fits the situation where tourism is used as a rural livelihood strategy. Chapter 4 analyses the relationship, and then identified the gaps, between the SLA and tourism under a broad development context. Based on the literature review in the previous two chapters and the work in the first sections in this chapter, a sustainable tourism livelihood is defined and the SLFT proposed.

In Chapter 5, a rationale for the proposed methods to be used in this research and how the research is conducted are provided. This research deploys comparative case studies to test the application of the SLFT in the Chinese context. SLFT indicators are then developed, and data sampling, collection and analysis techniques are explained. Research limitations are also described in this chapter.

Under the framework of the SLFT, chapter 6 examines the broad context of China's tourism development and the vertical institutional arrangements in this tourism context. Chapters 7 to 9 present the findings and results of three case study sites which were respectively at the involvement, development and rejuvenation stage of the Tourism Area Life Cycle, and Chapter 10 compares and integrates the three individual case studies. Chapter 11 is the last part of the thesis in which key conclusions are drawn. The SLFT is revisited and a revised SLFT is suggested. Finally, recommendations for future research are made.

## **CHAPTER 2 THE SUSTAINABLE LIVELIHOODS APPROACH**

### **2.1 Introduction**

The goal of this research is to develop a sustainable livelihoods approach for tourism and test its applicability in practice. This chapter will firstly review the literature on the Sustainable Livelihoods Approach (SLA). It provides an overview of the SLA origins – the evolution of rural development, the SLA contents, and key SLA principles, which provide the context of the development and application of the SLA and raise the question of tourism's integration within the SLA.

This chapter consists of two sections. The first reviews the evolving process of the concept of rural development from which the SLA is derived. Rural development has moved through three main bodies of thought, from a synonym for agricultural development in the 1950s to small-farm strategy, political economy, and in the late 1980s to the SLA. The emergence of the SLA was a response to the call for new approaches in rural poverty reduction. The second section examines the development and key features of the SLA. There are many interpretations of the SLA. Most commonly, a sustainable livelihood system includes five key elements, namely livelihood assets, transforming structures and processes, vulnerability context, livelihood outcomes, and livelihood strategies. Key principles of the SLA are then presented in the second section. Common sustainable livelihood frameworks (SLFs) have been developed to facilitate the application of the SLA in practice. Elements of the SLFs may vary slightly, but the key principles are basically the same.

### **2.2 Rural development**

From reviewing the literature, it is clear that the SL approach arose within the broad context of rural development (see Aziz, 1978; Harriss, 1982; Lea & Chaudhri, 1983; Schutjer & Stokes, 1984; Conroy & Litvinoff, 1988; Ahmed & Doeleman, 1995; Elliott, 1999; Ellis, 2000). Therefore for the sake of obtaining a good understanding of the SLA, it is necessary to understand the evolution of the study of rural development.

### **2.2.1 Origin of the term of ‘rural development’**

The term rural development arises from concerns for the rural poor in third world countries (World Bank, 1975; Harriss, 1982; Ellis, 2000). In the late 1960s a major challenge was to raise crop yields to meet the needs of the world’s increasing population, and people’s attention was mostly paid to developing new high-yielding varieties of the major food grains, the so-called ‘green revolution’. In the 1970s however, neither agricultural development nor an increase in food supply ameliorated rural poverty. People began to think about new approaches to improving prospects for the rural poor and reducing the lasting and deepening effects of rural poverty (Harriss, 1982). In this context, a new approach gradually emerged along with the World Bank and UN agencies adopting a new strategy for development planning. Distinct from previous approaches, this new strategy aimed at reducing the inequalities in income and employment, and improving equality and access to public goods and services, with the goal of alleviating poverty. As the vast majority of poor people live in rural areas in the developing countries, the term ‘Rural Development’ was specifically identified as a distinct field (Harriss, 1982). As defined by the World Bank, rural development is:

*“... a strategy designed to improve the economic and social life of a specific group of people – the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural area. The group includes small-sale farmers, tenants and the landless”*  
(World Bank, 1975, p. 3).

In the mid 1970s the term rural development came into widespread usage. Compared with ‘agricultural development’, rural development is broader and more specific. On the one hand, not only does it emphasise the growth of agricultural production, it also considers rural economic development as a whole, which is far beyond the simple focus on agricultural development. On the other hand, it particularly focuses on poverty and inequality, so it is more specific in this sense (Hewes, 1974).

According to Ellis (2000), rural development is simply an acknowledgement that people with an income below a stated poverty line in developing countries mostly live in rural rather than urban areas, and it is not a theory of economic or social change as such. Rural development calls for measures to reduce poverty, and therefore can be regarded as an organising principle for anti-poverty policies in rural areas of developing countries. However, rural development is not just about increased physical production and poverty

reduction. It is an interacting combination of poverty, employment, production and distribution (Hewes, 1974). Not only does it represent a collection of development activities, it is best thought of as a development philosophy (Hewes, 1974; Aziz, 1978).

### ***2.2.2 The evolution of the 'rural development' concept***

Although questions remain about whether rural development is a theory or not (Aziz, 1978; Ellis, 2000), we may, as discussed above, consider that rural development is actually a development philosophy about people living in rural areas. Summarising the relevant and abundant rural development literature, it can be seen that rural development has moved through three main bodies of thought since the mid 20th century, namely the population and technology model, political economy theories, and agricultural development (Aziz, 1978; Harriss, 1982; Lea & Chaudhri, 1983; Ahmed & Doeleman, 1995; Ellis, 2000).

In the 1950s the **population and technology model** was the main development discourse. The model emphasises the advancement of farming technologies, a major driver of agriculture productivity, while acknowledging that rural population growth will generate labour surplus (Schutjer & Stokes, 1984). In the 1960s, concerns with increasing disparities of income in the rural economy grew into the theory of '**political economy of agrarian change**' focusing on the equality of job opportunity and income, power relations in rural areas, including appropriate social reform such as China's rural communal economy (Aziz, 1978; Lea & Chaudhri, 1983). This theory, however, failed to stress livelihood diversification away from agriculture production on which the rural poor have always survived (Ellis, 2000).

The third stage of rural development is the **agricultural development** theory which prevailed in the 1970s. Its emphasis on small-farm agriculture was very successful in raising agricultural productivity, so that for nearly 20 years it remained the dominant philosophy in rural development (Ellis, 2000). In the 1980s, the notion of rural development in developing countries was critiqued and questions were asked about the overall success of 'small-farm enterprises'. While small-farm agriculture raised agrarian productivity it did not alleviate poverty, and worse, social inequality and unbalanced income distribution increased (e.g., Lea & Chaudhri, 1983; Ho, Eyferth, & Vermeer, 2004). More holistic, integrated thinking, about rural development was called for. Thus in

this context, the concept of sustainable livelihoods (SL) was proposed in the late 1980s. Early on, the SL was framed around sustainable **rural** livelihoods and abbreviated as SRL (Conroy & Litvinoff, 1988; Carney, 1998a). Since its proposal, the concept of SL has subsequently undergone substantial theoretical and practical development.

## **2.3 The sustainable livelihoods approach**

As mentioned above, SL is a way of thinking about rural development. It calls for integrative thinking for poverty reduction rather than conventionally assessing poverty via income/consumption criteria (Farrington, Carney, Ashley, & Turton, 1999) or alleviating poverty through raising crop productivity and external aid (Conroy & Litvinoff, 1988). Although the term ‘Sustainable Livelihoods’ has been used widely in poverty and rural development research, there is no broadly accepted definition of the concept, and different governments, organisations and individuals have adopted their own understandings (Chambers & Conway, 1992; Carney et al., 1999; Ellis, 2000; Cahn, 2002).

### ***2.3.1 Development of the SLA***

According to the New Oxford Dictionary of English, livelihood is ‘means of support’, which not only means income and consumption but also emphasises the means by which ‘living’ is secured. However the use of SL can be traced back to the first proposition of the concept of sustainable development in the Brundtland Commission Report of 1987 (Solesbury, 2003). The first official proposal of SL was made in the same year when the Advisory Panel on Food Security, Agriculture, Forestry and Environment reported to the World Commission on Environment and Development (WCED) (WCED, 1987a).

This report reversed the view that commonly starts with things rather than people, urban rather than rural, and the rich rather than the poor (Conroy & Litvinoff, 1988). In this proposition, the consideration of livelihood components developed. Importantly, livelihood security, and the concept of sustainable development were integrated into the original concept:

*“Livelihood is defined as adequate stocks and flows of food and cash to meet basic needs. Security refers to secure ownership of, or access to, resources and income-earning activities, including reserves and assets to offset risk, ease shocks and meet contingencies. Sustainable refers to the maintenance or enhancement of resource productivity on a long-term basis. A household may be enabled to gain sustainable livelihood security in many ways – through ownership of land, livestock or trees; rights to grazing, fishing, hunting or gathering; through stable employment with adequate remuneration; or through varied repertoires of activities” (WCED, 1987a, p. 3).*

This definition stresses ‘livelihood security’ as the central part of the concept, and that security should be maintained for the long-term, namely it should be sustainable. According to Chambers (1992, p. 216), the ‘first’ thinking of normal professionalism is always about things, “especially the things of the rich, which come first, while people come last, with the poorer rural people last of all”. However, this new framework pulled people’s attention back from the conventional ‘first’ thinking of economic growth to a people-centred ‘livelihood thinking’ (Chambers & Conway, 1992).

Reviewing the WCED panel definition, Chambers and Conway (1992) contended that capability, equity and sustainability are fundamental principles to sustainable livelihoods and added the concept of capability into the definition of SL. Further, they put forth their understanding of SL:

*“a livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with, and recover from, stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term” (Chambers & Conway, 1992, p. 6).*

Chambers and Conway’s work has had a profound influence on contemporary SL work and is generally considered the seminal effort towards the SLA (Scoones, 1998; Ashley & Carney, 1999; Carney et al., 1999; DFID, 1999a; Drinkwater & Rusinow, 1999; Ellis, 2000; Cahn, 2002; Solesbury, 2003; Start & Johnson, 2004). In their definition, the importance of capabilities is accentuated, not only the ability of being and doing, but also the ability of recognising and recovering from the potential shocks and stresses which they consider are key features of sustainability. According to Sen (1997, p. 1959), human capability refers to “the ability of human beings to lead lives they have reason to value and to enhance the substantive choices they have”. This proposition relates to the concept

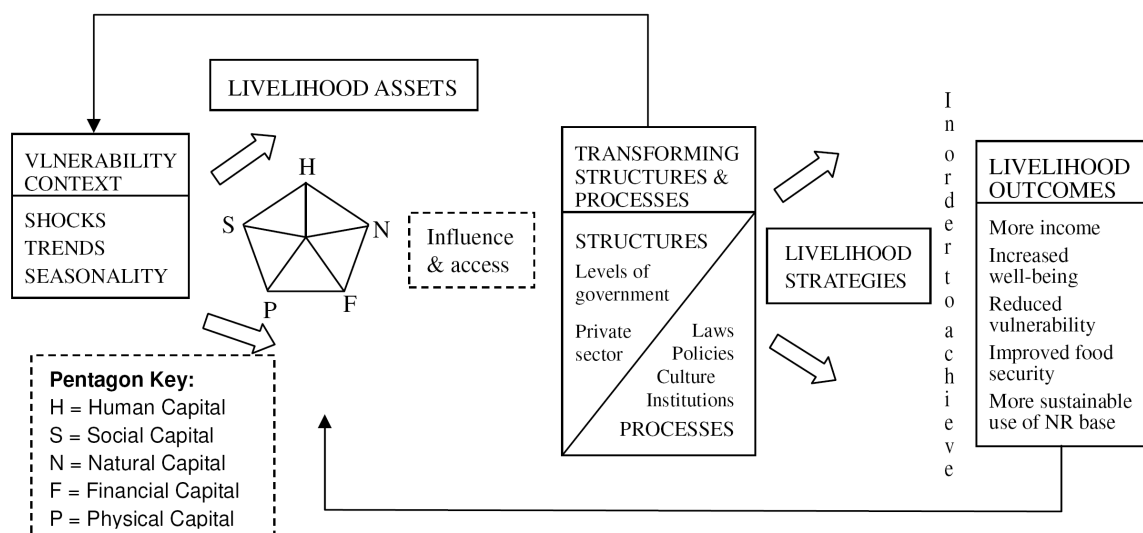
of ‘human capital’, an important livelihood asset in the livelihood definition above; and in a broad sense, human capital belongs to the general idea of human capability (Sen, 1997). Hence, Ellis (2000) argues that the meaning of the term ‘capabilities’ in the above definition overlaps greatly with assets and activities, and the use of the term ‘capabilities’ can bring confusion. As a result, he proposed his understanding of SL:

*“a livelihood comprises the assets (natural, physical, human, financial and social capital), the activities, and the access to these (mediated by institutions and social relations) that together determine the living gained by the individual or household” (Ellis, 2000, p. 10).*

In this definition, access to assets and activities mediated by institutions and social relations are highlighted, rather than capabilities. In addition, Ellis (2000) points out that a livelihood is dynamic rather than static. Attention should be given to its adaptation to evolving circumstances. When applied to Pacific cultures, Cahn (2002) notes that culture and tradition is prominent in a Pacific livelihood, and proposed a sustainable Pacific livelihoods model incorporating the integration of culture and tradition. Such deliberations indicate that a ‘one size fits all’ SL approach is neither possible nor appropriate – context is important.

### **2.3.2 Key features of the SLA**

Existing definitions of SL remain arguable and unclear (Carswell, 1997; Scoones, 1998; Cahn, 2002). Among the above definitions, the SL work of Chambers and Conway (1992) was considered fundamental, and led to a number of governments and (I)NGOs, for example the UK Department for International Development (DFID), United Nations Development Programme (UNDP), Oxfam and Cooperative for Assistance and Relief Everywhere (CARE), adopting their own related understandings of SL and employing SL approaches to facilitate and help rural development in practice (Eade & Williams, 1995; Carney et al., 1999; DFID, 1999a; Drinkwater & Rusinow, 1999). Comparing various agencies’ livelihoods work, the approaches employed appear to have much in common although they may have some different operational emphases. Among these approaches, the pentagram-based model (Figure 1) developed by DFID (1999a) is most prominent, and this framework is believed by some to have captured the concept of ‘livelihood’ (Baumgartner & Högger, 2004).



**Figure 1. The DFID Sustainable Livelihoods Framework (Source: adapted from DFID, 1999a, p. 11).**

The analytic framework of SL (Figure 1) reinforces a people-centred approach. There are five key features in a livelihood system as shown in the framework, namely livelihood assets, transforming structures and processes, livelihood strategies, livelihood outcomes, and vulnerability context.

### 2.3.2.1 Livelihood assets

According to DFID (1999a), livelihood assets consist of Natural (N), Physical (P), Social (s), Human (H), and Financial (F) capitals. Yet CARE groups livelihood assets into three categories, Human capital (i.e., livelihood capabilities), Social capital (i.e., claims and access), and Economic capital (i.e., stores and resources) (Drinkwater & Rusinow, 1999). Other organisations, for example Oxfam and UNDP, all adapted their understanding of what livelihood assets are (Carney et al., 1999). No matter how livelihood assets are grouped, one common theme is that assets are fundamental to the poor. Access to livelihood assets is especially important and is stressed by Ellis (2000, p. 31) as “the basic building blocks upon which households are able to undertake production, engage in labour markets, and participate in reciprocal exchanges with other households”.

There are many ways of grouping livelihood assets. The assets in the DFID framework were adopted in this research, namely natural, physical, financial, human, and social capitals. Natural capital points to natural resources that can be utilised by people to

achieve their livelihood objectives, for example land, water and forest. Physical capital refers to basic infrastructure (e.g., road, irrigation canals) and producer goods (e.g., farm tools, machines like tractors) needed to support livelihoods. Financial capital means financial resources (e.g., cash, bank deposits, liquid assets, pensions, and remittances) that can be accessed by people to maintain their current livelihoods or pursue a better livelihood. It may be the most direct and important livelihood asset to the rural poor. Human capital denotes the skills, knowledge, good health, and ability of labour that jointly make it feasible for people to pursue different livelihood strategies and achieve livelihood objectives. Social capital is a hotly debated issue and has multiple competing definitions (see Coleman, 1988; Putnam, Leonardi, & Nanetti, 1993; Lehtonen, 2004). In DFID (1999a), it is defined as social resources from which people get support to contribute to their livelihoods. Such support normally includes social networks, group membership, and relationship of trust, reciprocity and exchange.

The five livelihood assets are interrelated and each one can complement other assets. One asset can even be substituted by other assets under certain circumstances, for example, people without natural capital can still rely on financial and other assets (DFID, 1999a; Ellis, 2000). The asset pentagon diagrammatically indicates people's access to livelihood assets (see Figure 1). The central point of the pentagon, where the lines intersect, stands for zero access to assets while the outer perimeter denotes the greatest access. The shape of the pentagon is not fixed but keeps changing with time when access to assets varies.

### **2.3.2.2 Transforming structures and processes**

Transforming structures and processes are in fact the contexts in which livelihoods are shaped and mediated. Scoones (1998) divides these contexts into two categories. One is 'context, conditions and trends', and the other 'institutions and organisations'. Also, Carney (1998b) classifies these into 'vulnerability context' and 'transforming processes', two broad categories. In comparison with Scoones's classification, contents of 'vulnerability context' have many features in common with 'context, conditions and trends', and so do 'transforming processes' and Scoones's 'institutions and organisations'. Integrating Scoones's (1998) and Carney's (1998b) work, Ellis (2000) divides them into three categories, i.e., social relations, institutions, and organisations, and calls them mediating processes.

The DFID framework built on Carney's (1998b) work with further development of detail. Within the pentagon framework above, transforming structures and processes, and vulnerability (see more details below) are regarded as two relatively independent and separate contexts with different emphases and foci. According to DFID (1999a), transforming structures are hardware which comprises public and private sectors at various levels. Process is made up of policy, laws, culture, institutions, and power relations, and is more like software (DFID, 1999a).

Transforming structures and processes play an important role in shaping livelihood assets and outcomes in the SL system. They determine conditions of asset exchange and return of given livelihood strategies (DFID, 1999a), and most importantly have a direct impact on the poor's access to assets (Ellis, 2000). Just as Scoones (1998, p. 8) notes, "different people clearly have different access to different livelihood resources. This is dependent on institutional arrangements, organisational issues, power and politics". From a perspective of policy intervention, structures and processes facilitate to identify "restrictions/barriers and opportunities to SL" (Scoones, 1998, p. 12) and to bridge gaps between the micro level (e.g., individual, household, and community) and the macro regional, national, and global levels (Carney, 1998b; Ellis, 2000; Cahn, 2002).

### **2.3.2.3 Vulnerability context**

Recognition and consideration of vulnerability context is more like a turning point in the evolution of rural development, from conventional approaches to the SLA (see Aziz, 1978; Harriss, 1982; Chambers & Conway, 1992; Ahmed & Doleman, 1995; Carney, 1998b; Scoones, 1998; Ellis, 2000). However the concept, in the earliest WCED (1987a) livelihood definition, was not considered and included as a key component. It was firstly and indirectly addressed in Chambers and Conway's (1992, p. 6) livelihood definition, "...a livelihood is sustainable which can cope with and recover from stress and shocks...". Carney (1998b) first used the term 'vulnerability context' in his work on "Sustainable rural livelihoods: what contribution can we make?". In Carney's (1998a) work, vulnerability context includes trends (resource stocks, population density, technology, politics, and economic trends), shocks (climate, conflict shocks), and culture. Vulnerability is an important context in which livelihood assets are normally adversely affected. So, vulnerability context is a key concept related to livelihood sustainability.

DFID (1999a) adopted Carney's (1998b) interpretation of the vulnerability context and replaced 'seasonality' with 'culture'. According to DFID (1999a), trends generally refer to population growth, resource changes, national and international economic trends, macro policy, and technological trends; shocks include human and crop/ livestock health (e.g., epidemics, foot-and-mouth disease), natural disasters (e.g., tsunami, flood, drought, earthquake), conflicts (e.g., civil war), and economic shocks (declining crop/livestock prices). Seasonality normally points to the seasonal fluctuation of prices, production, health, and employment opportunities.

Shocks directly and negatively affect rural livelihoods. Spatially, shocks can be individual, local, regional, or national. Damages caused by severe shocks can be fatal to individual livelihoods (DFID, 1999a; Ellis, 2000), for example the outbreak of SARS in China in 2004, and the 2004 Indian Ocean earthquake (also known as the Asian Tsunami or the Boxing Day Tsunami). The influence of shocks is very often short-term, but shocks can precipitate a trend when the influence is more long lasting, for example resource degradation. In comparison with shocks, trends are more predictable and less devastating as people typically have more time to adapt to them. One point that needs to be noted here is that trends are not always negative. Under certain circumstances adverse impacts may become positive, taking adaptation to technology as an example (Ellis, 2000; Start & Johnson, 2004). In scope, trends are more macro but are also context sensitive. Different rural locations are likely to be influenced differently (Ellis, 2000). Seasonality periodically affects rural livelihoods. Its influences are predictable but are often magnified by trends and shocks (Start & Johnson, 2004).

#### **2.3.2.4 Livelihood outcomes**

"Livelihood outcomes are the achievements or outputs of livelihood strategies" (DFID, 1999a, p. 35). Livelihood outcomes are of great importance to the rural poor and are closely related to livelihood assets. If assets are the status quo (what people have now), outcomes may be regarded as the future (what people obtain in the future through livelihood activities). Livelihood outcomes are also significant indicators of judging the efficiency and effectiveness of livelihood strategies.

Scoones (1998) identifies two broad categories of livelihood outcomes. The first category is concerned with individuals, such as more working days, poverty reduction,

improvement of well-being and capabilities. The second category relates to sustainability – the enhancement of adaptation and resilience to vulnerability, and sustainable use of natural resources. Ellis (2000) also considers livelihood outcomes as two categories, one livelihood security and the other environmental sustainability. Livelihood security refers to income level and stability, risk that a livelihood faces. Sustainability focuses on natural resource sustainability, for example, good soils and land quality, sustainable water use, and biodiversity. In the livelihood approaches used by CARE and Oxfam, livelihood outcomes accentuate livelihood security, mainly basic needs and food security (Carney et al., 1999). In DFID (1999a), livelihood outcomes focus more on income, increased well-being, reduced vulnerability, improved food security, and more sustainable use of the natural resource base.

Contrasting the various deliberations on livelihood outcomes, they commonly have three similar factors listed by different researchers, developers and organisations. Generally there are three characteristics. The first is linked to economic outcomes which are embodied by income, employment, poverty, and some other economic indicators. The second is more about social outcomes, such as non-material well-being. The third connects to environmental outcomes, in other words, how to sustainably harvest natural resources. Therefore, outcomes are always the pathway to assess the conventional triple-bottom line concept of sustainability (Elkington, 1998), but the scale of analysis is of paramount importance (Scoones, 1998; Ellis, 2000).

#### **2.3.2.5 Livelihood strategies**

Livelihood strategies are the activities employed to generate the means of household survival. From the resource perspective, Carney (1998b) classifies these activities as natural resource based, non-natural resource based, and migration. Similarly, Ellis (2000) groups livelihood strategies into two categories, natural resource based activities and non-natural resource based activities. Natural resource based activities point to farm income (e.g., crops, livestock), off-farm income (typically labour payment within agriculture or income from local environmental resource like firewood collection), and some non-farm income (e.g., weaving, brick-making). Non-natural resource based activities are generally non-farm activities, for example, non-rural wage, rural trade, rural service, house rent, urban and international remittances, and retirement pensions.

In Scoones's (1998) typology of livelihood strategies, livelihood activities are divided into three strategy types, namely agricultural intensification or extensification, livelihood diversification, and migration. Agricultural intensification means maximising crop/livestock output per unit area via capital/labour investment or/and new technology. Extensification means extending cultivating or grazing land. With this strategy type, as Ellis (2000, p. 41) noted, "the key asset here is land" no matter if it is intensification or extensification. The second type, livelihood diversification, is in fact responses to livelihood shocks and stresses. It basically focuses on off-farm and non-farm activities to diversify income sources. Thus, the rural poor will become more secure when traditional activities fail to provide a livelihood due to the impact of shocks or stresses. The third type, migration, could be either active (e.g., labour migration to urban areas) or passive movement (e.g., displacement owing to flooding).

Scoones's livelihood strategy typologies provide a classification for research and policy thinking. However, Ellis (2000) doubts its practicality and argues that as a strategic consideration, diversification obviously goes beyond these typologies, for instance, migration can be considered part of a diversification strategy. In addition, Ellis (2000) points out that livelihood diversification is much more than income diversification. The building up of social support capabilities for survival is also of great importance. Similarly, a number of researchers contend that diversification plays a key role in coping with vulnerability contexts and research should pay attention to livelihood strategy diversification rather than typologies (e.g., Hussein & Nelson, 1998; Start & Johnson, 2004).

Regardless of how livelihood strategies are grouped, the fact is that these strategies focus mostly on primary industries like agriculture, forests, fishing, livestock, and timber harvest (Ellis, 2000). Just as the Food and Agriculture Organization of the United Nations (FAO) (2004) notes, there are more than 1.3 billion people depending on fisheries, forests, and agriculture worldwide. That is also the reason that "in the past rural people were essentially viewed as farmers, foresters or fisherfolk" (DFID, 1999a, p. 33). These rural livelihood activities, however, are mainly natural resource-based, and "are often in direct conflict with extractive industries such as large-scale fishing, logging, or mining" (WRI, UNDP, UNEP, & World Bank, 2005, p. 4). So, the question here is: to what extent can these strategies help achieve sustainable rural livelihoods? There may be a few

successful cases in the literature (e.g., Coupe, 2002), but the fact is, “more than a half century of persistent efforts by the World Bank and others have not altered the stubborn reality of rural poverty, and the gap between rich and poor is widening” (World Bank Strategy for Rural Development, 2003, cited by WRI et al., 2005, p. 5). Many efforts therefore have been made to seek more effective livelihood activities toward rural poverty reduction and sustainable rural development.

In the last decade, tourism by contrast, as the global industry with the most rapid growth rate, has attracted much attention from governments, organisations, researchers and practitioners. Owing to its great potential to assist in rural poverty alleviation, tourism, developed as a means of alleviating rural poverty, has been introduced in rural development research and gained increasing attention (see Fairburn, 1994; Sharpley & Sharpley, 1997; Butler, Hall, & Jenkins, 1998; Godde, Price, & Zimmermann, 2000; Long & Lane, 2000; Roe, 2001; Holland, Dixey, & Burian, 2003; D. Hall et al., 2005).

The concept of ‘rural tourism’, however, originally came from developed countries (Sharpley & Sharpley, 1997; C. M. Hall & Page, 2002). Corresponding research has conventionally centred on the tourism industry, tourism products and tourists (Oppermann, 1996; Holland et al., 2003). In these research contexts, farmers were not central to tourism development because their living did not usually heavily rely on tourism, and in most cases tourism is just a side-income (see Yerex, 1995). For example in the United States, tourism is identified as one of the “new opportunities for encouraging a diversity of economic development activities in rural areas” (Luloff et al., 1994, p. 47). As a tool of rural poverty alleviation in the developing world, tourism, however, may play a different role in rural livelihood survival as it does in developed countries (see Yerex, 1995; Goodwin, 2000; Roe, 2001; Wood, 2005; Knowd, 2006). Consequently, conventional tourism research approaches have received increasing criticism for the limited interest in rural livelihoods and poverty. Alternatively, rural developers contend that using the SLA to direct and analyse tourism in rural development could be a solution to these criticisms (Ashley, 2000, 2002). However, the principles of tourism may not be the same as for primary industries which the SLA has traditionally focused on and been developed for. Thus, a deep understanding of the principles of tourism needs to be obtained, and the relationship between tourism, primary industries, and the SLA needs to be carefully examined. These are discussed in Chapter 3.

Overall, the SL framework offers an analytic basis for understanding the complexity of rural livelihoods. It forces users to think systematically about rural development rather than solely focusing on one or two aspects of rural poverty reduction (Scoones, 1998). It shifted people from a sector-based thinking to a holistic consideration about rural livelihoods (Carney, 1998a; Ashley & Carney, 1999). In the framework, five main factors do not exist independently but ‘interact’. The framework is also “helpful in linking macro-level trends to the ground-level realities of everyday life” (Carney, 2002, p. 15). However, the reality is far beyond what the framework can include. As Ashley and Carney (1999, pp. 2, 8) point out, “SL principles are more important than the SL framework...Use of the framework on its own, without the principles, will not necessarily enhance development activity”.

### ***2.3.3 Key principles of the SLA***

Used as a checklist for thinking about and analysing rural livelihoods, the SL frameworks facilitate researchers and developers to put the SL approach into practice. But the SL framework is not fixed, and different researchers and organisations have adopted their own understanding and alternative SL frameworks, for example, Scoones (1998), Ellis (2000), CARE (Drinkwater & Rusinow, 1999), Oxfam (Eade & Williams, 1995), Khanya (Carney, 2002), and UNDP (Carney et al., 1999). Although different, it is surprising to find that they are all based on similar principles. These frameworks provide a structure for understanding rural livelihoods and ensuring no important factors are overlooked. However, as Carney (2002, p. 15) points out, “the framework does not aspire to capture all of SL thinking. Nor does it supply methodologies or guidance on implementing an SL approach”. Principles are more important. Without SL principles, the framework will fail to reflect real livelihood scenarios (Ashley & Carney, 1999; DFID, 1999a; Carney, 2002; Hussein, 2002).

SL principles have also gone through an evolutionary process and will keep evolving as long as the SLA develops. Since first proposed in the WCED food report in 1987, one main continuing principle of the SLA is that it is **people-centred**, or more specifically rural-poor-centred (WCED, 1987a). This is also the main criterion that the SLA differentiates itself from traditional planning which conventionally focus on things, urban, and the rich rather than people, rural, and the poor (Conroy & Litvinoff, 1988; DFID, 1999a). With this principle, people, especially the rural poor’s livelihoods, should

be placed at the centre of development. Just as Conroy and Litivnoff (1988, p. 1) point out, “analysis and policy should start at the other end, with the poor, especially the rural poor, with where they are, with what they have and with their needs and interests”.

The second principle reflects directly what the term ‘Sustainable Livelihoods’ implies. **Sustainability** is key to the SL approach. In the WECD (1987a, p. 3) proposition, “sustainable refers to the maintenance or enhancement of resource productivity on a long-term basis”. From this interpretation, the notion of sustainability initially meant economic and natural resource sustainability. Chambers and Conway (1992) however accentuate social implications such as equity and capability. According to these authors (1992, p. 5), “in the livelihood context, we will use sustainability in a more focused manner to mean the ability to maintain and improve livelihoods while maintaining or enhancing the local and global assets and capabilities on which livelihoods depend”. Sustainability is actually a quite hotly debated issue, with ideologies evolving over time (see more details in Chapter 3). In the later DFID (1999a) work, the concept of sustainability has been expanded to four key dimensions, namely economic, social, environmental, and institutional sustainability. Importantly, in terms of scopes and scales, livelihood sustainability is, in SL literature, generally operated at the individual/household or micro level (see Chambers & Conway, 1992; Ashley & Carney, 1999; DFID, 1999a; Carney, 2002).

‘**Dynamism**’ and ‘**holisticism**’ are two other important principles. Looking back through the growth of the SLA, the SL thinking and its contents kept changing over time in order to adapt to the evolving environment (Ellis, 2000). Therefore the SLA is dynamic, not static. Attention should be paid to changing local circumstance and variations when conducting livelihood analysis. Holisticism means holistic thinking about SL. Within the SLA, people interact with, and are influenced by, institutional arrangements and vulnerability factors. People are not the only focus but constitute a system together with other livelihood factors. However in practice, the SLA does not intend to suggest an all-inclusive approach. “Rather, it aspires to provide a way of thinking about livelihoods that is manageable and that helps improve development effectiveness” (DFID, 1999a, p. 6).

With time, other principles were added to the SLA by researchers and developers.

DFID (1999a) considers ‘**building on strength**’ and ‘**macro-micro links**’ significant principles. SL analysis should start from what the poor have (i.e., people’s strengths) rather than what they need. Upon recognising people’s own potential for reducing poverty, it is expected that the poor themselves become more robust and play a more active role in achieving their livelihood objectives (DFID, 1999a; Cahn, 2002). Macro-micro links are of great importance in livelihood analysis and policy-making. Supposedly, intervening policies should mirror the thinking of those helped to the greatest extent. But, macro livelihood policy developers all too often failed to consult with those they affect (DFID, 1999a). “Success at micro level generates credibility at macro level” (Ashley & Carney, 1999, p. 19). The SLA has the potential to bridge this gap. Therefore, macro-micro links need to be carefully considered in SL analysis.

SL principles were also enriched with the addition of ‘**responsive and participatory**’ and ‘**conducted in partnership**’ dimensions first discussed by Ashley and Carney (1999). ‘Responsive and participatory’ calls for the recognition of the poor’s initiatives. It is the poor instead of outsiders that should act more in addressing and identifying livelihood priorities (Ashley & Carney, 1999). The SLA is designed as cross-sector based or multi-sector involved. Thus, it needs to work in partnership with public, private as well as civil society actors, and to occur at local, regional, national and international levels (Hussein, 2002). The principle of ‘**powering**’ is added by Carney (2002), which indicates the importance of poor people empowerment.

As seen above, there are a number of SL principles, and in the foreseeable future this number may increase along with research progress and development. For the sake of better understanding and operationalisation, Carney (2002) structures SL principles into normative statements (what we should do) and analytical/operational guidelines (how we should do) categories. Normative principles include *people-centred*, *empowering*, *responsive and participatory*, and *sustainability*. Analytical/operational principles include *dynamism*, *holisticism*, *building on strength*, *conducted in partnership* and *macro-micro link*.

The purpose of the above grouping is to enable people to make sense of the SLA. The SL approach has been employed by many bilateral (e.g., DFID) and multilateral (e.g., FAO, UNDP and World Bank) government organisations, and (I)NGOs (e.g., CARE,

Oxfam and Khanya) (see FAO, 2002; Hussein, 2002). SL frameworks applied in practice may vary, but the principles are very similar. Therefore, it is important to keep these principles in mind whenever employing the approach in practice.

## **2.4 Chapter summary**

This chapter has retrospectively considered the origins, development, key features and key principles of the SL approach. The SLA has formed its own theoretical frameworks and methodological guidelines which underpin a paradigm – “a basic set of beliefs that guides actions” (Guba, 1990, p. 17). As well, its growth in the last two decades provide evidence of ‘paradigm shift’ (Solesbury, 2003, p. 14), a change in basic assumptions within the ruling theory of science (Kuhn, 1970). Over time, the SLA has grown into a dominant paradigm in rural development. As Carney (2002) points out, there is no doubt that the SL approach can add value to efforts in poverty reduction. Today, debates centre on how effectiveness of the SLA can be maximised in practice.

Livelihood systems are complex. Carney (1998b, 1999) argues that the SLA is too ambitious to provide sufficient guidance on the way forward. Therefore SL frameworks are developed to help to understand the complexity of the SL and to operationalise the SLA in practice. In relation to the various SL frameworks, differences seldom occur in the principles on which the frameworks are developed. Principles rather than frameworks need to be kept in mind at any time. While SL frameworks are amended to adapt to different sectors and situations, primary industries have unsurprisingly been the chief choices of livelihood strategies in the SLA.

With the recognition of tourism’s potential and comparative advantages in reducing poverty, especially in rural poor areas, tourism gains increasing attention, and it is suggested that tourism should be increasingly used as a livelihood strategy to alleviate rural poverty (Goodwin, 2000; Wood, 2005). Correspondingly, some contend that the SLA, rather than conventional tourism theories, should be employed as a theoretical framework to guide tourism development in rural poverty reduction and sustainable rural development. Thus, criticisms of tourism’s role in economic growth, instead of a poverty focus, can be counteracted (Ashley, 2000, 2002). However as an industry, the principles underpinning tourism may not be the same as those in primary industries like agriculture.

Therefore, questions arise. What are tourism's peculiarities? How different is tourism from primary (rural) industries? Does the SLA fit the case in which tourism is taken as a rural livelihood strategy? These issues will be explored and examined in the next chapter.

## **CHAPTER 3 TOURISM DEVELOPMENT**

### **3.1 Introduction**

Chapter 2 examined the evolution of the Sustainable Livelihoods Approach (SLA) and raised the question of how tourism might fit within the SLA. This chapter firstly reviews the relationship between tourism and poverty alleviation, and addresses the case of increasingly using tourism as a tool in rural development against rural poverty, and the issue of whether the SLA fits the case in which tourism is taken as a rural livelihood strategy. In response to these concerns, this chapter then systematically examines the peculiarities and key principles of tourism to see if and how tourism, being a rural livelihood strategy, is different from traditional agriculture-based livelihoods and how tourism principles are different from the SLA principles.

### **3.2 Tourism and poverty alleviation**

Since the 1960s tourism has increasingly played an important role in the national economies for many developed as well as developing countries. This is especially true in cases of developing countries (Aronsson, 2000; Braman & Amazonia, 2001; Saville, 2001). Tourism contributes to over 2% of national Gross Domestic Product (GDP), or 5% of exports in 45 of the 50 poorest countries, and for some countries like the Maldives and Vanuatu tourism accounts for over 25% of GDP (Roe, Ashley, Page, & Meyer, 2004). According to the UNWTO (2002), the only country where the label of least developed country (LDC) has been removed is Botswana since the LDCs were first tagged by the United Nations in 1971. Tourism played a very significant role in reaching this achievement. Cape Verde, the Maldives, Samoa and Vanuatu are four other countries which are considered to have the potential to move out of LDC status (UNWTO, 2002). In all four countries “tourism has been the single most important factor explaining the socio-economic progress which would form the basis of their graduation” (UNWTO, 2002, p. 29). Thus, it is not surprising that tourism, regarded as a powerful engine of economic development, has recently been embraced and pursued enthusiastically by most developing countries.

Although tourism has made huge contributions to economies in developing countries, interests in tourism have been mostly focused on maximisation of foreign exchange earnings, growth of employment and tax revenue, and sometimes conservation of natural and cultural resources, with less consideration of poverty (Marsland, Wilson, Abeyasekera, & Kleih, 1998; Roe, 2001; Saville, 2001; Goodwin, 2002; Holland et al., 2003; Jamieson, Goodwin, & Edmunds, 2004; Goodwin, 2006). This point has also been embodied in the change of bilateral and multilateral international aid agencies' policies. In the late 1960s the World Bank, for example, specifically set up a Tourism Projects Department and provided loans and credits for 18 tourism projects in 14 Mediterranean and Adriatic countries in the succeeding 10 years. These projects concentrated on generating foreign exchange earnings and employment opportunities in these countries and the primary concern was about national economic impact. However, the World Bank closed its Tourism Projects Department due to the realisation that most funds for these tourism projects were invested in developing luxury hotels to attract tourists from the developed countries which was seen as inconsistent with new insights on growth, and poverty-oriented thinking (Goodwin, 2000). On the basis of this understanding the World Bank, like other bilateral and multilateral agencies, withdrew its attention from the tourism sector in the later 1970s. However, with poverty elimination restored as a central focus of international development aid in the 1990s, tourism regained these agencies' advocacy. Common recognition is that tourism presents much potential to the poor. Especially in remote and marginal areas, people have less livelihoods choice and development opportunities but are almost always rich in natural and cultural tourism resources, which are some of the few assets the poor can otherwise develop (Goodwin, 2000; UNWTO, 2002).

Thus, poverty reduction has not traditionally been at the heart of tourism development, although tourism is believed to be one of the few development opportunities for the poor to reduce poverty levels (Marsland et al., 1998; Roe, 2001; Saville, 2001; Goodwin, 2002; Holland et al., 2003; Jamieson et al., 2004; Goodwin, 2006). It has been always assumed that the poor will economically benefit from tourism through a 'trickle-down' process, even though tourism projects are not poverty-oriented (Mowforth & Munt, 1998; Ashley, 2002). However, Yunis, former Chief of Sustainable Development at the UNWTO, argued that tourism "will not address poverty automatically", and there exists little hard evidence to bolster the trickle-down view

(Goodwin, 2006, p. 3). This debate has grown in recent years, as poverty concerns became increasingly endorsed by NGOs, governments and researchers.

In 2002 the UNWTO launched 'Tourism and Poverty Alleviation' at the World Summit on Sustainable Tourism in Johannesburg. In this report, tourism's function in reducing poverty was re-examined. It was emphasised that tourism could be one of the few effective means to contribute to poverty alleviation if properly managed. To implement this understanding the UNWTO established the Sustainable Tourism – Elimination of Poverty (ST-EP) programme to meet the objectives of reducing poverty in the developing and least developed countries (UNWTO, 2002). This is a significant shift from an initial focus on economic benefits, and later environmental and cultural protection, to a poverty emphasis from the beginning of the new millennium. In 2006, the UNWTO officially initiated the ST-EP programme (Goodwin, 2006), which aims to develop 5000 small projects by 2015 (UNWTO, 2004c).

In response to the poverty-oriented development trend, a more poverty-focused form of tourism development has been promoted. In this context, pro-poor tourism (PPT) has recently emerged and been explored and operated at theoretical and practical levels. PPT refers to tourism that increases net benefits for the poor. Strictly speaking, "PPT is not a specific product or niche sector but an approach to tourism development and management" (Ashley, 2002, p. 18). PPT can focus on any tourism segment, but one common principle is to improve the linkage between the tourism business and the poor and to expand benefits to the poor.

The poverty-centred principles of PPT cater to public demand in the new millennium, and it generates great interest among researchers and practitioners. Compared with other productive sectors, tourism has some advantages. For example it is labour intensive; consumption occurs normally at the point of production; and tourism can capitalise on natural scenery and cultural elements which are normally some of the few assets the poor have and have access to (UNWTO, 2002). PPT takes anti-poverty as its primary goal. Based on this understanding, governments and donors have integrated some of the tenets of PPT into many alternative tourism forms, and even some mass tourism projects, to fight against poverty.

No matter what the definitions of the ST-EP and PPT are, the key theme is to unlock opportunities for the poor with the focus on poverty alleviation. However, relevant tourism research, according to Zhao and Ritchie (2007, p. 119), “to date is fragmented, limited in scope, and lacks a consistent methodological development”. For maximising the principle of poverty alleviation in tourism development, increasing tourism research has been devoted to seeking a more appropriate approach to practically guide tourism against poverty. Zhao and Ritchie (2007, p. 119), for example, developed an integrative framework for anti-poverty tourism research. This approach, however, is tourism-centric and parochial. Being a livelihood strategy against poverty, tourism is not isolated. Rather, it complements or dominates other livelihood portfolios, agriculture or labour migration for example (Tao & Wall, 2009). Therefore, a growing view contends that the SLA offers more holistic thinking and understanding of the complexity of tourism and related developmental issues against poverty (Aronsson, 2000; Ashley et al., 2000; Jamieson et al., 2004; C. Cater & Cater, 2007; Lee, 2008; Tao & Wall, 2009). However, tourism may not have the same characteristics as primary industries, like agriculture, for which the SLA was originally designed to work. Therefore, to better understand relationships between the SLA and tourism, it is necessary to first examine key peculiarities and principles of tourism.

### **3.3 Tourism peculiarities**

Despite it being the world’s biggest and fastest growing industry, tourism, including a focus on such fundamental questions as, ‘what exactly is tourism?’, remains a hotly debated topic area. Organisations, scholars and researchers adopt various definitions and interpretations based on their own understanding (e.g., Jafari, 1974; Buck, 1978; Leiper, 1979; Jafari, 1981; Mathieson & Wall, 1982; BarOn, 1984; Murphy, 1985; Smith, 1988; Ryan, 1991; McIntosh & Goeldner, 1995; Echtner & Jamal, 1997; Weaver & Oppermann, 2000; C. M. Hall & Page, 2002; D. G. Reid, 2003; Cohen, 2004; Weaver, 2006). These definitions allow people to understand the essence of tourism from certain perspectives such as industry (e.g., Jafari, 1974), supply-demand relations (e.g., Smith, 1988), and host-guest relations (e.g., Murphy, 1985). Among these definitions, Leiper (1979) proposed defining tourism from the perspective of systems theory, in a broader sense:

*“It is the system involving the discretionary travel and temporary stay of persons away from their usual place of residence for one or more nights,*

*excepting tours made for the primary purpose of earning remuneration from points enroute. The elements of the system are tourists, generating regions, transit routes, destination regions, and a tourist industry. These five elements are arranged in spatial and functional connections. Having the characteristics of an open system, the organization of five elements operates within broader environments: physical, cultural, social, economic, political, technological with which it interacts” (Leiper, 1979, pp. 403-404).*

Compared with single purpose definitions, Leiper’s definition elaborates the nature of tourism and offers a holistic perspective. It can be seen that tourism is a system or context containing many factors and elements which interact and generate a series of economic, socio-cultural, environmental and institutional responses.

With this holistic definition, it is very difficult to identify tourism peculiarities. However, as a rural livelihood choice, tourism needs to be understood in comparison with other traditional rural livelihoods (e.g., crops, fishing, forestry). In this sense, tourism is a livelihood opportunity and its peculiarities can be examined from the perspective of production and consumption. In fact, in the early 1970s, Jafari (1974) had identified tourism’s peculiarities, focussing initially on a production-consumption perspective.

According to Jafari (1974), tourism products include tourism-oriented products (TOPs), generic resident-oriented products (ROPs), and background tourism elements (BTEs). TOPs imply goods and services produced primarily for the use of tourists rather than local residents, accommodation, food service and public transportation for example. ROPs, in contrast, are goods and services provided chiefly for the consumption of local residents. Tourists are not their first concern. Examples can be infrastructure, police, hospitals, barbershops or hairdressers. BTEs are destination attractions which include natural, socio-cultural, and man-made resources. BTEs have traditionally been taken as the main form of tourist products and are even used interchangeably with tourism products in informal occasions. With the development of tourism, individual tourists, such as hikers, back-packers, and trekkers, become significant. For such tourists, they might not ‘consume’ destination goods and services. Instead, they just enjoy local tourism resources and they purchase little except for supporting their ‘experience’ of a tourist destination. What are tourism products for them? Prentice et al. (1998, p. 1) contend that “the core product of tourism is the beneficial experiences gained”. This point has gained increasing endorsement (e.g., Prentice et al., 1998; Wang, 1999; Vittersù, Vorkinn, Vistad, & Vaagland, 2000; Cooper & Hall, 2008). Thus, the tourist experience is also an

important type of tourist product.

From the standpoint of production, first, tourism products are characterised as monopolistic which means that there are no identical tourism destinations in the world. One may argue that the world is becoming more homogenised along with the globalisation. A tourist can stay in the Hilton Hotel in Sydney and he/she can also find a Hilton Hotel in his/her travels in Singapore. Thus, the peculiarity of monopoly may not be very convincible. However, “humans may experience their environment as a whole entity rather than the sum of a discrete set of attributes” (Vittersù et al., 2000, p. 433). Accommodations in the two different destinations may be no different. Tourists’ experience can, however, never be the same. Second, tourism products are non-transferable. When considering tourism products as an entity (including TOPs, ROPs, TBEs and tourism experience), they are closely attached to a physical ‘place’ and can only be sold at the destination region. One cannot expect to ship the Queenstown of New Zealand to somewhere in China, as one can ship New Zealand wool to China. Third, tourism products are ‘perishable’. When a tourist visits a destination, his/her visit is performed at a certain time. Physical tourism products may remain the same, but the environment around products varies with time (e.g., weather, mood, people around). This will affect one’s perception of what the tourist saw and heard. Tourism experience, as a result, will vary. In this sense, tourism products are time-related and ‘perishable’. They cannot be stored in a fridge for freshness in the same way food is treated. This latter point drives the need for a sale pressure at all levels in the sector.

From a consumption standpoint, first, tourism products are experienced ‘in situ’. Consumers can normally buy goods from market and use them either at home or elsewhere. But one cannot expect that the same thing happens to tourism. Consumers have to travel to the ‘product’ and enjoy the product at the point of production. Furthermore, the simultaneous consumption is the ‘tourist’s experience’. Taking consumers’ experience as products, this trait is, however, only attached to the tourism industries. Second, tourism product quality is largely judged by consumers’ aesthetic rather than economic value. The criteria for judging the quality of a good are based on its economic value. As a rule of thumb, the more expensive a good is the better quality a good has. But in the case of tourism, consumers evaluate tourism products based on their satisfaction with their experience. This does not link easily to monetary values. Rather,

aesthetic values, for example, beauty and uniqueness play a major role in the evaluation. Third, tourism is not applicable to the law of diminishing marginal utility which defines the consumption of most 'physical' products. Unlike most physical products that will lose their value of utility with time, tourism products, especially cultural attractions, on the contrary, may become more attractive over time (Jafari, 1974).

In sum, tourism has its own peculiarities and is different from other rural industries. However, for examining how tourism fits the SLA, it is also necessary to analyse key tourism principles in order to check whether there are differences and gaps between tourism and the SLA.

### **3.4 Key tourism principles**

Much research has been dedicated to debating tourism development. Reviewing the literature, three key principles of tourism can be derived. The first is the philosophy of sustainable development (see Priestley, Edwards, & Coccossis, 1996; Dymond, 1997; Hein, 1997; C. M. Hall & Lew, 1998; Mowforth & Munt, 1998; Sharpley, 2000; McCool & Moisey, 2001; Ahn, Lee, & Shafer, 2002; Hardy, Beeton, & Pearson, 2002). The second is recognising the importance of the role played by the local community in tourism development (see Simmons, 1994; Joppe, 1996; Pearce, Moscardo, & Ross, 1996; Faulkner & Tideswell, 1997; Tosun, 1999; Richards & Hall, 2000; Tosun, 2000; Mitchell & Reid, 2001; Fallon & Kriwoken, 2003; Sofield, 2003). The third is the dynamism of tourism development (see Butler, 1980; Cooper & Jackson, 1989; Getz, 1992; Dearden & Harron, 1994; C. M. Hall & Lew, 1998; D. G. Reid, Mair, George, & Taylor, 2001; Hardy et al., 2002; Butler, 2006).

#### **3.4.1 Sustainability**

The term "sustainability" or "sustainable development" represents a philosophy for development. From initially focusing on environmental issues, implications of sustainability have developed far beyond this context. Poverty alleviation and community empowerment, for example, have entered into the central debate of sustainable development (WCED, 1987b; D. Reid, 1995; Schmandt & Ward, 2000). As a form of development, sustainability also became an overarching principle in tourism development and experienced a similar process of change (E. Cater, 1991; Coccossis & Nijkamp, 1995;

Goodwin, 1998; Horochowski & Moisey, 2001; Lanza, Markandya, & Pigliaru, 2005).

#### **3.4.1.1 The evolution of sustainable development**

From reviewing the literature, it is clear that the term “sustainability” is closely linked to achieving environmental bottom lines alongside economic growth (S. J. Gan, 1997; Khanna, Babu, & George, 1999; Ahn et al., 2002; Hardy et al., 2002). During the 19th century and the first half of the 20th century, as Gan (1997) documents, western countries experienced rapid economic growth, namely through the process of industrialization. The model of economic growth in this era, however, was characterized as the three ‘Hs’ – *High Production, High Depletion* and *High Contamination*. Although the human economy achieved rapid growth, the environment meanwhile suffered from severe deterioration. With time, more and more people realised that economic growth ought not to be at the cost of the environment. In this context and as a convergence between economic development and environmentalism, the concept of sustainable development emerged and was officially illustrated by the proposal of eco-development at the UN Stockholm Conference on Humans and the Environment held from 5<sup>th</sup> to 16<sup>th</sup> June, 1972 (Hardy et al., 2002).

As a response to the increasing concerns about environmental issues, the UN set up a specialised body, the World Commission on Environment and Development in 1983 with Norway’s former prime minister Gro Harlem Brundtland being its Chair. In 1987, the 58<sup>th</sup> UN General Assembly was held and at the conference Brundtland gave a lecture entitled “Our Common Future”, based on the report of the WCED (also known as the Brundtland Report). In this report, the term “sustainable development” was first proposed and defined: “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987b, p. 43). Essentially, it stressed both resource conservation and equity elements for current and future generations, and it persuaded many governments to endorse the notion of sustainable development (Mowforth & Munt, 1998).

The UN Conference on Environment and Development (UNCED) in Rio de Janeiro, Brazil, in June 1992 (also known as the Earth Summit) was a milestone in the history of sustainable development. One hundred and seventy eight governments including 120 heads of state attended. At this conference, the development model of the

three “Hs” and the development principle of “polluting first, disposing last” was completely reversed, and the concept of sustainable development was generally recognised (S. J. Gan, 1997). Meanwhile, the well-known document “Agenda 21” was launched which has become an overriding reference to many countries to set up their own sustainable development strategies. As a response to Agenda 21, the United Nations Commission on Sustainable Development (CSD) was created in December 1992 to ensure effective follow-up of UNCED, and to monitor and report on implementation of the Earth Summit agreements at the local, regional, national, and international levels (CSD, 2007). So far, more than 150 countries have set up special commissions or institutes devoted to sustainable development, and 74 countries have submitted National Reports of Implementation of “Agenda 21” to review progress of sustainable development in their own countries (S. J. Gan, 1997). Nowadays, sustainable development has become a political goal enthusiastically pursued by governments around the world.

Moving into the 21st century, the notions and relevance of sustainability and sustainable development are becoming increasingly important. The word “Sustainable(lity)” became a buzzword and has become part of a dominant discourse relating to environmental security and ‘balanced’ development (Becker & Jahn, 1999). Over the past decade the concept of sustainable development was widely used as an organizing framework, and a very large range of definitions of both sustainability and sustainable development were proposed in the literature (Dymond, 1997; Lanza et al., 2005; Cottrell, Vaske, & Shen, 2007). Despite multiple attempts at defining both terms, there are no universally agreed definitions. People use the terms rather loosely for their own purposes and interests (Mowforth & Munt, 1998). Although debates remain about what sustainability actually is, a consensus is that sustainable development is a dynamic process, of which people’s understanding keeps changing along with societal development change. From an initial focus on environmental and economic issues, scholars have increasingly suggested that some elements, social equity and justice, poverty alleviation, and local community empowerment for example, should also be placed at the centre of sustainable development (see Dymond, 1997; Mowforth & Munt, 1998; Khanna et al., 1999; Sharpley, 2000; McCool & Moisey, 2001; Ahn et al., 2002; D. G. Reid, 2003; Sofield, 2003).

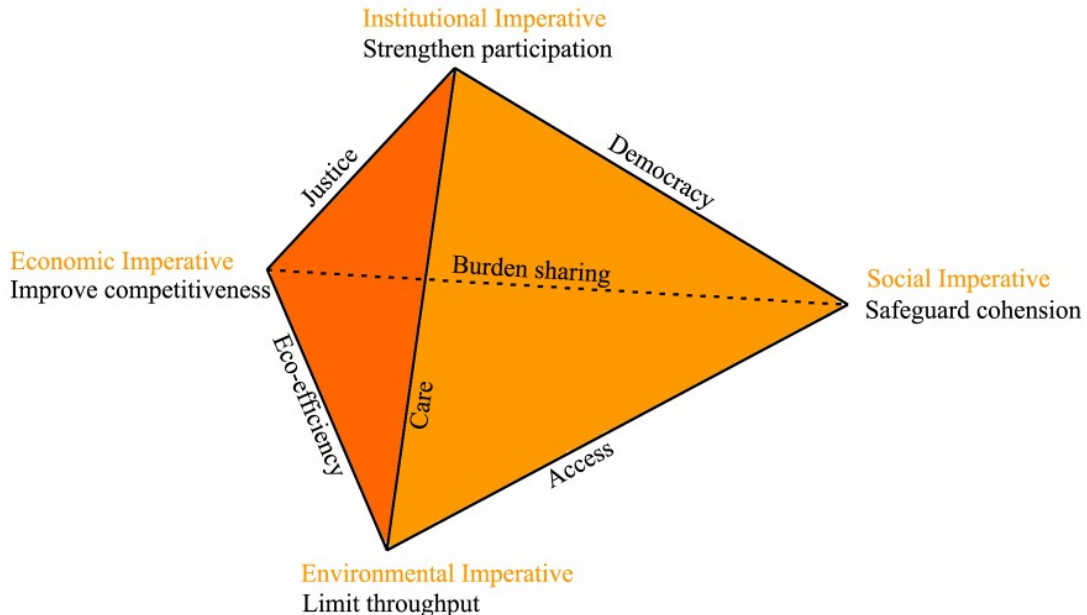
After analysing “Our Common Future”, Reid (2003) raises concerns about poverty

and points out that if less developed countries grow at an annual rate of 5 percent (the Commission's report concluded that such a growth rate will remain within the overall general concept of sustainability), those already poor would further be impoverished and the gap between rich and poor would further widen. From a perspective of equity and justice, Mowforth and Munt (1998) link sustainability to power and connotate the pathway to sustainability with a *power jigsaw*. First, they argue that "sustainability is ideological in the sense that it is largely from the First World that the consciousness and mobilisation around global environmental issues has been generated and in that sense sustainability serves the interests of the First World" (1998, p. 38). Second, "there is no agreement over the exact nature, content and meaning of sustainability. It is a contested concept in all senses of the word. Different interests – supranational and transnational organizations, INGOs, socio-environmental organisations, social classes and so on – have adopted and defend their own language (discourse) of sustainability" (1998, p. 40). Third, they attributed sustainability to hegemony: "testimony to hegemonic properties of sustainability, perhaps, is the rapidity with which the word has entered public usage on a seemingly global level since its use by Brundtland in 1987, along with the large number of texts that are devoted to dissecting, interpreting, defending or reclaiming the idea of sustainability" (1998, p. 42). Notwithstanding the scope of these debates, they conclude that not only ecological issues but also questions of social justice are of paramount importance.

Discussion around implications of sustainability is diverse. One common ground, however, is that sustainability can be understood in economic, social, and environmental dimensions (also known as the triple bottom line) (Kammerbauer et al., 2001). Aside from these three dimensions, Brinkerhoff and Goldsmith (1990) point out that the institutional setting within which development policies are made, implemented, and managed is also a critical component of sustainability. According to Brown (1998), environmental protection, economic stability, social and cultural integrity are all necessary for development policy interventions, but the interventions will not amount to much without sustainable institutions. "Successful growth and development require a complex of effective and efficient institutions in all sectors – public, private and non-government/non-profit. Institutional sustainability is therefore no less – and in fact, one could argue, is far more important than the other notions of sustainability as all these are ultimately dependent on institutions" (Brown, 1998, p. 57).

For the consideration of the significance of institutional sustainability, the institutional dimension, as the fourth dimension of sustainable development, was formally introduced into the whole notion of sustainability by the CSD in 1995. Integrating all these views, Spangenberg (2002a) proposed the Prism of Sustainability (PoS) and points out that sustainability not only includes economic, social, environmental and institutional dimensions, but that six interlinkages between the four dimensions should also be considered (see Figure 2). According to the PoS model, sustainable development can be described by these four dimensions and six interlinkages.

*“The **environmental imperative** describes the need to reduce the pressure on the physical environment to within ecological system limits. The **institutional imperative** calls for strengthening people's participation in political governance. The mechanisms of decision-making have to integrate people's wishes and activities. This way, the acceptance of and identification with political decisions both become broader, and democracy is strengthened. The **social imperative** demands that all individuals have access to the resources and facilities they need to live a healthy and dignified life. The **economic imperative** is to satisfy human needs for material welfare. This implies an economy which supports employment and livelihoods, in a framework which is competitive and stable at the macro-economic scale” (Wuppertal Institute, 1999, The Imperatives section, ¶¶ 1-4).*



**Figure 2. Prism of Sustainability (Source: reproduced from Wuppertal Institute, 1999)**

It is, however, not enough to define targets for the four dimensions of sustainability. They are only expressing some of the necessary preconditions to maintain the self-reproduction cycles of the four interlinked subsystems, without giving any information on

the character and effect of the linkages. Therefore, and also because the interlinkages are related to the most important fields of policy making, they too must be considered (Valentin & Spangenberg, 2000). According to Wuppertal Institute (1999, The interlinkages section, ¶¶ 2-5), the following need consideration:

*“The degree of equity in access to limited resources is as important for sustainability as the total amount of resources extracted from the environment. This is an interlinkage imperative connecting the social and the environmental, which establishes a “right to resource access”.*

*Democracy is the interlinkage between the institutional and the social imperative, and the basic condition for a society of more tolerance and solidarity. Participatory democracy is a basic condition for social cohesion, and thus for sustainable development. Increased material welfare is rarely without distributional impacts. Both the cost and the benefits should be fairly distributed. Fair burden sharing is the basis of the welfare state. This constitutes the interlinkage of the social and the economic dimension.*

*The interlinkage between the institutional and the environmental imperative - care - describes a combination of dedication and action. Legal regulations as well as organisations and individual action should care for the environment. One significant aspect of care is the precautionary principle, which guides us to avoid irreversible or serious impacts where there is uncertainty or ignorance about the likely effects - for example in the introduction of genetically modified crops. Care also represents the values needed for sustainable development: the limits of societies' caring capacity will probably be as essential as those of nature's carrying capacity.*

*Eco-efficiency – the economy-environment link – is a measure of how efficiently we use resources to deliver our social and economic needs. The Wuppertal Institute uses an indicator of Total Material Requirement (TMR) as a physical measure of resource use for the totality of economic activities. More widely eco-efficiency is measured according to the economic wealth generated per unit of environmental resources used”.*

The PoS not only emphasises environmental, economic, and social domains which have always been and are still the focus of development research, but institutional imperatives which had been less heeded in sustainability research are also given higher priority. Contemporarily, the interlinkages between the four dimensions are illustrated and integrated into the whole framework of sustainability. Thus, the PoS offers a relatively holistic and integrating analytical framework to think about and understand the implications of sustainability.

#### **3.4.1.2 Tourism and sustainable development**

In contrast with the term ‘sustainable development’, the concept of *sustainable*

*tourism* has been discussed over a longer period of time in the literature (Lane, 2001). *New tourism*, *Tourism Area Life Cycle*, and *carrying capacity*, for example, were discussed in the 1970s as different terminology for the sustainability of tourism (Hardy et al., 2002). Initially, the concept of sustainable tourism remained at a theoretical level, and it did not begin to be explored or developed in detail until the late 1980s with the rapid spread of the concept of sustainable development as discussed above (Lane, 2001). However, tourism was not given much attention in its role in sustainable development at the Earth Summit in Rio. Only ecotourism as a method to enhance sustainable forestry was referred to in Chapter 11 of Agenda 21, and governments were recommended to promote ecotourism (Hardy et al., 2002). In response to this, the World Travel & Tourism Council (WTTC), the World Tourism Organisation (WTO/OMT) and the Earth Council together launched Agenda 21 for the Travel & Tourism Industry in 1996. This was the first step to achieve a balance between sustainable development and economic growth for travel and tourism. It was the only industry-specific adaptation of Agenda 21 (WTTC, IFTO, IH&RA, & ICCL, 2002).

The tourism sector, as with many others, has also witnessed the proliferation of applications of the concept of sustainability. Correspondingly, various definitions, views and forms of sustainable tourism have been identified as the ideal form of what is needed (for example Mowforth & Munt, 1998; Sharpley, 2000; Hardy et al., 2002). Reviewing principles of sustainable development and sustainable tourism, Sharpley (2000) argues that tourism is product-oriented, and as a means of development, tourism is steadily embedded in modernisation theory which does not comply with the tenets of sustainable development (i.e., holistic approach, long-term, and equity). Therefore, he suggests that principles of sustainable development should not be applied to tourism. However, ideas around sustainable tourism have moved far beyond economic growth. Many scholars enriched the notion of sustainable tourism by adding debates such as environmental protection (Coccosis & Nijkamp, 1995; Hunter, 1997), community participation (Hardy et al., 2002), local people empowerment (Sofield, 2003), poverty alleviation (DFID, 1999b; W. Zhao & Ritchie, 2007), and equity (Cottrell, Vaske, & Shen, 2007) which are also key elements of sustainable development. As a specialised tourism organisation, the United Nations World Tourism Organisation set forth the notions of sustainable tourism. Sustainable tourism should make optimal use of environmental resources, respect the socio-cultural authenticity of host communities, and provide socio-economic benefits to

all stakeholders. For the purpose of sustainable development, sustainable tourism calls for the informed participation of all relevant stakeholders, as well as strong political leadership. The UNWTO also recognised that achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts. Sustainable tourism should also maintain a high level of tourist satisfaction (UNWTO, 2004b).

These definitions originated from the general concepts and issues surrounding sustainable development as discussed earlier. It can be said then, that tourism is only part of the whole idea of sustainable development and so tourism should seek therefore to ensure that nature, scale, location, and manner of development are appropriate and sustainable over time, and that the environment's ability to support other activities and processes are not impaired, since tourism cannot be isolated from other resource use activities.

In the last decade numerous theoretical, conceptual and empirical studies have contributed to the debate about sustainable tourism development (see E. Cater, 1991; Coccossis & Nijkamp, 1995; Clarke, 1997; C. M. Hall & Lew, 1998; Aronsson, 2000; Mitchell, 2001; Hardy et al., 2002; Pineda & Brebbia, 2004; Cottrell, Vaske, & Shen, 2005; Weaver, 2006). The debate as to whether sustainable tourism is part of the whole notion of sustainable development or whether sustainable development should be considered in the context of tourism may still remain arguable (Butler et al., 1998; Sharpley, 2000; Hardy et al., 2002). However, an undeniable fact is that sustainability has become an overarching philosophy in tourism research as indicated by the emergence of the term 'sustainable tourism' in the early 1990s and the launch of the 'Journal of Sustainable Tourism' in 1992.

### ***3.4.2 Community participation***

Community participation in tourism comes from the general concept of community participation in development theory (Tosun, 1999). Among various efforts towards the implications and interpretations of community participation, Arnstein's (1969) definition may be the most widely cited. According to her (1969, p. 216), community participation is "the redistribution of power that enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future..... In short, it is the means by which they can induce significant social reform, which enables

them to share in the benefits of the affluent society”. This definition recognises the importance of the public and their role in the development process. It is intimately linked to the concept of power.

Consideration of community participation is not new in the tourism literature. In the 1970s Doxey (1976) documented the model of the local community’s attitude to tourism with an initial euphoria being taken over by apathy, irritation, and eventually antagonism. Although this model is not necessarily a linear pattern (Simmons & Fairweather, 2005b) and destination residents do not necessarily go through all four stages along with tourism development (Lawson, Williams, Young, & Cossens, 1998), it does suggest the importance of community participation in tourism development. In the last two decades, much research has focussed on local participation in tourism development, as evidenced by the emerging terms of community-based tourism, community driven tourism, community involvement in tourism, public participation in tourism and community-responsive tourism (Tosun, 1999). From a tourism resource perspective, Murphy (1985, p. 153) comments that “tourism, like no other industry, relies on the goodwill and cooperation of local people because they are part of its product”. Richards and Hall (2000, p. 1) point out that “human communities represent both a primary resource upon which tourism depends, and their existence in a particular place at a particular time may be used to justify the development of tourism itself”.

In terms of guest-host relations, Reid (2003) argues that the mood of a host community is extremely important to ensure visitors’ satisfaction and a negative attitude will arise if the community is opposed to tourism development. Thus, damage by word-of-mouth advertising will increase, resulting in the further reduction of return visits on which the tourism industry relies so heavily. As a result, the former reputation of a particular destination may take many years to recover or rebuild. From the standpoint of tourism planning, Simmons (1994) states that there are two reasons for greater community participation in tourism planning. One is because tourism impacts occur primarily at the local destination areas. Second, the local community plays the most important role in creating a friendly and hospitable atmosphere for the destination. In parallel to this statement, Murphy (1985, p. 153) contends that “where development and planning does not fit in with local aspirations and capacities, resistance and hostility can raise the cost of business or destroy the industry’s potential altogether”. Based on this

recognition, a community-based tourism planning approach was specially developed to emphasise the importance of community participation (Murphy, 1985; D. G. Reid, 2003). Simmons (1994) enriched the discourse by raising debates about participation techniques in tourism planning practice. In relation to the idea of sustainable development, Richards and Hall (2000, p. 1) point out that “the rationale of sustainable tourism development usually rests on the assurance of renewable economic, social and cultural benefits to the community and its environment... without community sustainability, tourism development cannot be expected to be sustainable”. Mowforth and Munt (1998, p. 240) even argue that “the greater the degree of local participation, the better (by whatever definition) the project”. In sum many, the significance of community participation has been widely recognised in tourism research, and the participation of local people has come to be an essential condition of sustainability.

Clearly, the normative concept of community participation has originated and been popularised in developed countries (Tosun, 2000), and community participation has traditionally meant power distribution (Arnstein, 1969; Sidaway, 2005). According to Arnstein (1969), the extent of participation can be divided into eight hierarchical levels on a ladder of participation, from the bottom with *manipulation*, which means no citizen power, to *therapy/education, informing, consultation, placation/involvement, partnerships, delegated power*, and at the top level, *citizen control* which indicates a complete local resident autonomy. Similarly, Pretty (1995) groups community participation into seven categories in accordance with power shared by local residents, ranging from *manipulative participation* (in which participation is just a ‘token’ gesture or appeasement), to *passive participation, participation by consultation, participation for material incentives, functional participation, interactive participation*, and finally to *self-mobilisation* (in which people initiate projects by themselves without external intervention).

Arnstein’s and Pretty’s typologies of community participation establish a benchmark for participation. Tosun (2006, p. 494), however, points out that “they are not related particularly to a sector of an economy”. He then developed a typology of community participation in tourism which is “designed specifically for tourism” (2006, p. 494). The Tosun typology includes *coercive* participation, *induced* participation, and *spontaneous* participation, which is also categorised by power-sharing from *passive*,

*indirect* and *top-down* participation to *active, direct* and *bottom-up* participation (Tosun, 1999). Tosun (2000, p. 613) further examined the nature of community participation in tourism in the context of developing countries and points out that “there are *operational, structural* and *cultural* limits to community participation” in the tourism development process.

From the above, it can be seen that community participation principally points to power sharing or involvement in political governance. It means empowerment and education (D. G. Reid, 2003; Tosun, 2006). Timothy (1999) comments, in the tourism development process, that participation should be viewed from at least two perspectives, namely ‘*participation in the decision-making process*’ and ‘*tourism benefits sharing*’. In the context of developing countries, particularly rural areas, local people, however, are commonly “denied any significant opportunity to participate in the tourist market” (Goodwin, 1998, p. 3), which was an attribute proven to be of great importance to the poor’s livelihoods (Ashley, 2000). Thus, *access to the tourist market* needs also to be identified as a significant form of community participation in the tourism development process. The tourist market here is defined as any commercial opportunities related to tourism, such as provision of accommodation and food, goods-selling, and direct employment in tourism.

Besides efforts in theory-building, many tourism researchers and practitioners also strived to apply these theoretical concepts in practice. Simmons (1994) examined public participation techniques in the tourism planning project of Huron County in Canada and indicates the importance of tourism education in the process of participation. From the same perspective of tourism planning, Reid (2003) scrutinised key aspects of community participation and developed a set of practical participation techniques and skills. Taking the Pentland Hills Regional Park in Scotland as an example and from the angle of environmental conservation in tourism and recreational development, Sidaway (2005) demonstrated how to resolve disputes and conflicts by applying participation techniques in practice. Tosun (2006) developed a conceptual framework on the basis of his typology of community participation to guide field research in examining the complexity and effectiveness of community participation.

In conclusion, community participation in tourism development processes should

not just be political rhetoric. Tourism community participation has formed a body of knowledge in both theory and practice. Within the concept, there is now a realisation of the desirability of high levels of participation, and power sharing as meaningful participation in the decision-making processes is critical (Reed, 1997). Overall, it can be seen that participation has become a key principle of sustainable tourism development.

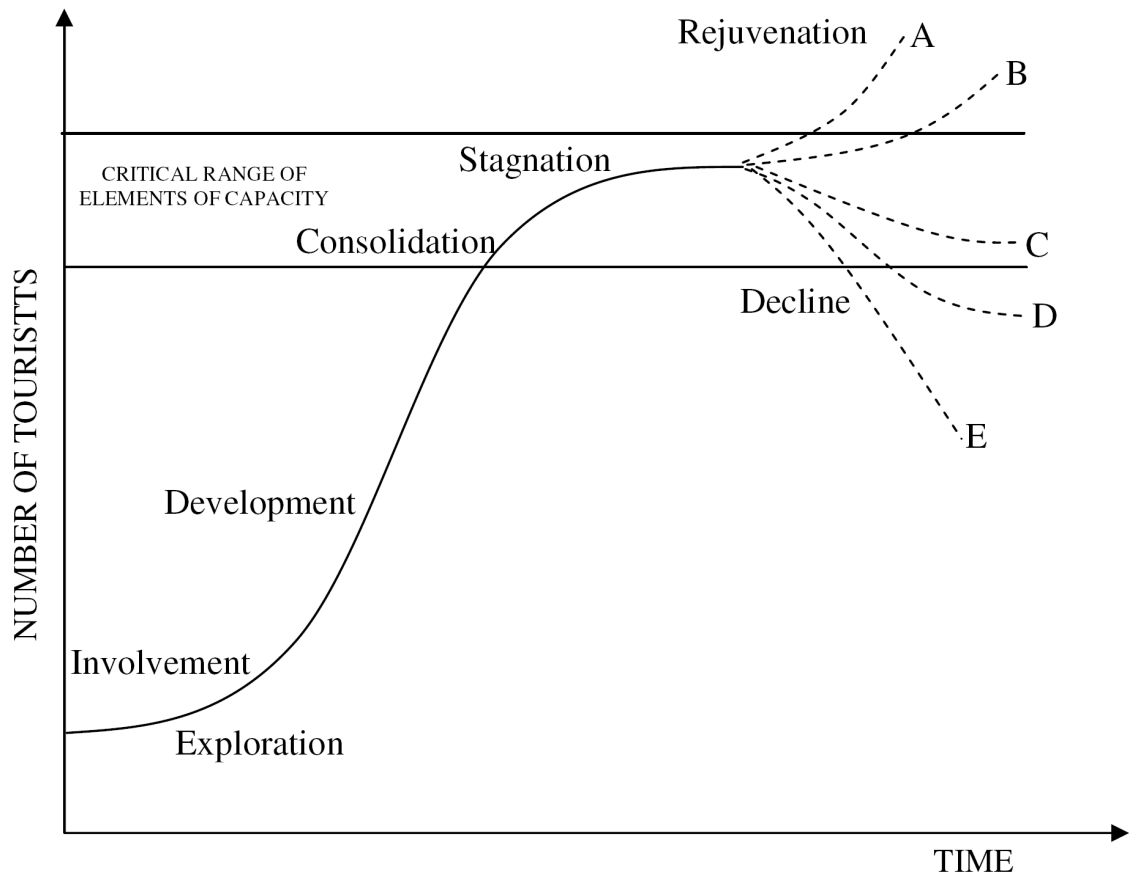
### ***3.4.3 Dynamism***

Tourism changes the way people live. Meanwhile people shape the way tourism develops. This is a mutual process and shows the dynamism of tourism. Jafari's (1990) four-platform framework of tourism development, Doxey's (1975) irridex model of the community's reaction to tourism, and Butler's (1980) model of tourism area life cycle all mirror this point – tourism is dynamic. Tourism, as discussed earlier, operates in a wide context and contains many factors and elements. Each aspect of tourism may more or less reflect the attribute of dynamism of tourism. However, this research focuses on the rural community. Thus, the dynamism of destination areas is explored in this research.

The tourism destination involves an amalgam of stakeholders, tourism products, government policies, which together affect the role of evolution and scale of development. While there are many theories about tourism destination, these theories, for example carrying capacity, community irritation model and planning theories, mostly focus on one or two aspects of tourism. They are fragmented and “few writers have considered an integrated model of tourism development” (Simmons & Leiper, 1993, pp. 213-214). Based on the product cycle concept, Butler (1980) integrated many tourism development themes and developed the Tourism Area Life Cycle (TALC) model which proposes the rules of evolution of a tourist destination area. It is now “arguably one of the most significant contributions to studies of tourism development because of the way it provides a focal point for discussion of what leads to destination change... TALC remains one of the most oft-cited works in tourism studies even if many people have never read the original article and have instead only read interpretations of it in textbooks or journals” (C. M. Hall, 2006a, p. xv).

As Butler (1980, p. 5) stated in his original work on TALC, “there can be little doubt that tourist areas are dynamic, that they evolve and change over time”. Generally speaking, this evolution follows the model of TALC. In other words, tourism

development in a tourist area will normally move through six stages, namely *exploration*, *involvement*, *development*, *consolidation*, *stagnation*, and *decline or rejuvenation* (see Figure 3).



**Figure 3. The Tourism Area Life Cycle (Source: reproduced from Butler, 1980, p. 7)**

- **Exploration:** At this stage, small numbers of allocentric visitors, “intellectually curious about and want to explore the world around them in all of its diversity” (Plog, 2001, p. 16), are attracted by the unique natural or cultural resources of the local area. Tourism impact on the local economy, society and environment can hardly be seen. Few local residents informally get involved in catering for tourists and hold a very active attitude to tourism.
- **Involvement:** This stage is characterised by increasing numbers of tourists. An initial tourist market is gradually formed. Tourism grabs governments’ and public sectors’ attentions and they start to invest in local infrastructures to facilitate tourist experience. Social and environmental impact still remains at a very low level. Economic benefits generated by tourism motivate more and more local residents to participate in tourism by providing accommodation and tourism-related services. Local people’s perception of tourism remains positive.

- **Development:** The increasing number of ‘mid-centric’ tourists at peak season may exceed local residents at this stage. A well-defined tourist market area is shaped. External investors move into the area and will quickly take control of tourism development. Man-made exotic facilities and attractions will be created to supplement existing tourism resources while not being welcomed by all local people. Rapid tourism growth brings negative environmental (e.g., water contamination by sewage) and social effects (e.g., overcrowding). However, economically local people benefit more from tourism growth (e.g., employment). Contact between locals and visitors becomes more formal and local people still overall hold a positive perception of tourism development.
- **Consolidation:** Absolute numbers of tourists keep rising but the rate of increase in tourist numbers will decline. Psychocentric tourists supersede the allocentrics. In regards to impact, negative environmental and social impacts increase. Tourism grows into the dominant economic activity and local areas are greatly commercialised and commodified. Overcrowded tourist areas and facilities built to cater for visitors may cause some local resident apathy and discontent.
- **Stagnation:** Visitor numbers peak. “Capacity levels for many variables will have been reached or exceeded, with attendant environmental, social, and economic problems” (Butler, 1980, p. 8). Local people’s reaction to tourism at this stage can refer to the levels of irritation and antagonism described by Doxey (1975).
- **Decline/rejuvenation:** In the decline stage, the destination will lose its charm and visitor numbers decline. Tourist type will change to weekend or day trippers from vacationers, while subject to destination accessibility. Tourist facilities are more used by local residents or are taken over by non-tourism-related facilities. At this stage, local residents may get more involved in tourism due to the withdrawal of outside investors. With time, destination attractiveness will decline and the area may ultimately lose its tourism attraction function. On the other hand, following the stagnation stage can also be the stage of rejuvenation. The occurrence of this stage will be subject to a complete change in tourism attractions, either by introducing man-made attractions or by exploiting intact natural resources. Meanwhile, it needs careful planning and management, and efforts from both government and private sectors.

Butler’s TALC reveals the general rule of tourism evolution in tourist areas. But Butler (1980, p. 10) also notes that “not all areas experience the stages of the cycle as

clearly as others”. As observed by Bao and Zhang (2006), theme parks in China will reach the *consolidation* and *stagnation* stages in the first year, and fall into the *decline* stage within 2-5 years. Karst caves normally start at the *development* stage, with no *exploration* and *involvement* stages. As for international-tourist-oriented areas, all too often, they have very long *consolidation* and *stagnation* stages, for example The Summer Palace in China (Bao & Zhang, 2006). All in all, although the TALC may not exactly fit each tourist area, it provides a conceptualised model for understanding tourism destination evolution. Since its proposal, the TALC has been widely used in tourism planning, policy-making and management, and a body of theory and concepts has been developed surrounding the TALC (see Cooper & Jackson, 1989; Getz, 1992; C. M. Hall, 2006a, 2006b; Russell, 2006b, 2006a). Generally speaking, the TALC reflects the dynamic feature of tourism development and is even considered the textbook for seeking knowledge of tourism development in tourist areas.

Overall, it can be seen that the three principles are of great importance to tourism development. Each principle contains rich information and has developed a body of knowledge. In contrast to the SLA, the implications of tourism and the SLA principles may be different and gaps may exist between the two. This needs to be further examined.

### **3.5 Chapter summary**

This chapter examined the evolution of tourism’s role in poverty alleviation, tourism peculiarities, and key tourism principles. Reviewing the literature, there was a clear developmental trajectory for tourism moving from maximising tourist arrivals to emphasising local benefits and from a focus on economic development to poverty alleviation. Tourism has many advantages and much potential in rural poverty reduction. Correspondingly, some approaches (e.g., PPT) were developed to facilitate tourism development towards achieving the goal of poverty reduction in many developing countries, particularly in the LDCs, while being criticised by rural developers for being too tourism-centric and parochial and for lack of concern about the rural poor. As an alternative, the SLA was advocated to guide tourism in rural development and rural poverty alleviation. This chapter then analysed key tourism peculiarities to examine how tourism is different from conventional primary-industry-based rural livelihood activities and analysed key tourism principles to examine how tourism fits the SLA.

Considered a rural livelihood strategy, tourism peculiarities were analysed from the production-consumption perspective. It can be seen that tourism, as a tertiary industry, has its own peculiarities and is different from the primary industries for which the SLA was originally designed to work. Key tourism principles in this research include sustainability, community participation, and dynamism which contain rich implications and may not be the same as the principles of the SLA. Thus, it is necessary to further scrutinise the relationships and gaps between the SLA and tourism in order to optimise the effect of rural poverty alleviation and development with tourism as a rural livelihood strategy. These matters will be explored in the next chapter.

# **CHAPTER 4 SUSTAINABLE LIVELIHOODS APPROACH FOR TOURISM**

## **4.1 Introduction**

Chapters 2 and 3 respectively reviewed the literature on the Sustainable Livelihoods Approach (SLA) and tourism development. Following the issues raised in the previous two chapters, namely the issues of how does tourism fit the SLA or how does the SLA fit the case in which tourism is used as a livelihood strategy, this chapter aims to propose the concept of the sustainable tourism livelihoods approach and construct a sustainable livelihoods framework for tourism (SLFT) through examining the relationships and gaps between the SLA and tourism.

## **4.2 Development, rural development, and tourism development**

As previously discussed, the SLA is rooted in the evolution of rural development practice. Rural and tourism development both link to the parental paradigm – development theory (Ellis, 2000; Sharpley, 2000). To understand better the implications of connecting the SLA and tourism, the concept should be viewed within the broader development context.

### ***4.2.1 Development***

The term ‘development’ is an elusive concept and has suffered from the lack of a precise meaning (Welch, 1984; Sharpley, 2000). As Hettne (1995, p. 15) states, “there can be no fixed and final definition of development, only suggestions of what development should imply in particular contexts”. While implications of development are controversial, it, according to Hettne (1995), can be understood from three perspectives. First, development is a process of forming a new social science discipline which concerns unique developmental problems in the Third World. Second, it is closely related to the hegemonic intellectual position and evolves by introduction of new knowledge like power and ecology. It also highlights issues in the poor countries. Third, development can be seen as a dimension of classical/historical social science which implies development as economic, political and cultural changes and transformations. Developmental issues need

to be examined holistically and be looked at from a broader global view.

The third perspective of viewing development theories has prevailed in the development literature (see Goulet, 1968; Welch, 1984; Hettne, 1995; Preston, 1996; Sharpley, 2000; D. G. Reid, 2003). In this vein, development is commonly treated as an evolutionary process moving from one condition to another, and it also points to the state or condition as “whenever a society is called developed or underdeveloped, we refer to its present condition” (Goulet, 1968, p. 388). Furthermore, it also refers to the goal of the process (Welch, 1984). Synthesising the development literature, it can be seen that the concept of development has evolved chronologically through four main paradigms since the 1950s, namely *modernisation*, *dependency theory*, *alternative development*, and *sustainable development* (Welch, 1984; Hettne, 1995; Clancy, 1999; Sharpley, 2000; D. G. Reid, 2003).

**Modernisation** theory is grounded in Europe and centred on the European model of development. With the modernisation paradigm, Gross National Product (GNP) or per capita income, are the main indicators of development. In this phase, economic growth is synonymous with development. It was believed that all countries and regions will go through a similar process, from undeveloped to developed, and issues like poverty and social inequality will be tackled concomitant with economic growth (Welch, 1984). In the late 1960s and 1970s, The Latin American Debt Crisis triggered people to rethink the legitimacy of Eurocentric development. Monetary assistance failed to save these countries’ economies and poor countries did not follow the steps of the developed countries to become ‘developed’. In this context, **dependency** theory prevailed, which contends that development was not a linear process, and the poor will remain with the status of underdevelopment owing to their high economic dependency on the developed (Clancy, 1999). The dependency theory is very often linked with the term *neo-colonialism* which is criticised for the resource movement from the underdeveloped to developed countries, which has worsened the economies of the already-poor countries. Frank (1967) even asserts that the stronger the link the greater the underdevelopment in the Third World.

Dependency theory, as Hettne (1995, p. 176) points out, “albeit more explicitly normative and voluntaristic, did not really consider the purpose and meaning of

development”. This concern led to the emergence and dominance of the paradigm of ‘**alternative** development’ in the 1980s. The paradigm, alternative development or ‘another development’ seeks a concentration on the *form* of development rather than the *content* (Hettne, 1995) and signified a major shift from a traditional focus on things, to a focus on people. As defined by Nerfin (1977), it is *need-oriented, endogenous, self-reliant, ecologically sound, and based on structural transformation*. It acknowledged grassroots initiatives and called for an endogenous, bottom-up approach (Sharpley, 2000). Ecological consciousness is a crucial component of the alternative development paradigm. In this period, people’s concern about environmental deterioration caused by unharnessed economic growth reached a summit which from the late 1980s led to the emergence and flourishing of a new development philosophy – **sustainable** development (Hardy et al., 2002). As discussed in Chapter 3, this development paradigm stems from the convergence of economic growth and environmentalism. It is often associated with words such as: *environment; balanced growth; long-term development; and social equity*. With time, implications of sustainable development evolved, from an emphasis on environment to one on people, as evidenced by the development of new paradigms such as: poverty reduction, community empowerment, and social justice (see Ashley, 2000; Sofield, 2003). It is believed that sustainable development is a holistic, integrated, and long-term based development philosophy.

Some, however, contend that the so-called neo-classical counter-revolution between the dependency theory and alternative development ought to be identified as a distinct development paradigm as well (e.g., Little, 1982; Toye, 1987; Sharpley, 2000). According to Toye (1987), the counter-revolution embraces the market-oriented economy and seeks a global free trade system without government intervention. Yet Hettne (1995, p. 47) questions the orthodoxy of the counter-revolution and asks, “who are the counter-revolutionaries and what is the content of their ideas apart from the belief in the magic and miracles of the market?”. He further points out that the counter-revolution only highlights the economic significance while not recognising the broader social and political situation in Third World countries. In contrast to the modernisation paradigm, “the proverbial old wine seems to have been poured into equally old bottles” (Hettne, 1995, p. 47). Therefore, the counter-revolution belongs to the orthodoxy of modernisation and will not be considered as a distinct development paradigm in this research.

#### **4.2.2 Tourism development**

Reid (2003, pp. 74-75) points out that “tourism study must view itself as a subset of development studies.....development studies provides an overarching framework for understanding the larger context in which tourism must be viewed”. Among various efforts towards addressing the evolution of tourism development, Jafari’s (1990) four-platform framework gives a good elucidation.

The first platform is ‘**advocacy**’ which considered tourism as ‘without fault’ and tourism’s economic contribution was widely, if not exclusively, supported. It was popularised after the Second World War and embedded in the modernisation paradigm (Jafari, 1990). With this platform, it is believed that impulses of tourism development will gradually and naturally diffuse or spread from the most developed into the less developed areas (Browett, 1979). Some key indicators, for example, foreign exchange earnings and the multiplier concept, were evidence of this platform (Sharpley, 2000). Upon entering the 1960s, this platform was gradually substituted by the second platform, ‘**cautionary**’. It recognised the negative prospects of tourism and criticised tourism’s seasonal and unskilled employment, destruction of the natural environment, and de-integration of host society structure (Jafari, 1990). At this stage, many researchers looked at tourism development in developing countries and accused the dependency of tourism in the Third World on the developed, especially for the countries highly reliant on international tourism (Oppermann, 1993). Airlines, travel agencies, and hotel chains, for example, are mostly owned and operated by those in developed countries who take away a considerable proportion of the benefits of tourism development in developing countries. Doina (1989) claims this as a new type of colonialism. Thus, the cautionary platform is directly related to dependency theory. As Oppermann (1993, p. 540) points out, tourism “is used by the developed countries to perpetuate the dependency of the developing countries”.

Dependency theory in tourism had been prevalent. Criticisms, however, were put forward for its too-much-attention to mass and international tourism but fewer concerns on alternative and domestic tourism (Oppermann, 1993; Khan, 1997). This debate led to the growth of the third platform in the early 1980s – ‘**adaptancy**’. The first two platforms focused on impacts. With the adaptancy platform, it is argued that certain forms of tourism development can reduce negative tourism impacts. Butler (1990, p. 40), for

example, asserts that “the nature of tourism to some degree determines the nature and pattern of growth”. Therefore, this platform called for developing alternatives to mass tourism, for example ecotourism, rural tourism, and green tourism, in response to increasing concerns with tourism’s negative impacts and dependency. Clearly, the adaptancy platform follows the pattern of the paradigm of alternative development. It can be incarnated by the emergence and flourish of the term ‘alternative tourism’ which is “seen as smaller scale with more local opportunities, less economic leakage, and fewer undesirable impacts” (Dearden & Harron, 1994, p. 82).

Alternative tourism also has problems. As Butler (1990, p. 44) notes, “much of the expenditure of the alternative tourists may be pre-spent on packages or spent in small amounts in a wide variety of locations”. Therefore it is doubtful how effective the alternative tourism is in facilitating community development, particularly in developing countries. Holistic thinking about tourism development is needed. In this context, the fourth platform, the ‘**knowledge-based**’ platform, emerged and has become evident since the early 1990s. Unlike “the general foci of the advocacy and cautionary platforms on tourism impacts and of the adaptancy platform on forms of development” (Jafari, 1990, p. 35), the fourth platform accentuates holistic thinking of tourism as a system, including its structures and functions. It is exemplified by the proliferation of the concept of sustainable tourism, with the initial consideration of environment to holistic thinking about community development, poverty, social equity, community empowerment, and other things (see Chapter 3). This platform can be compared with the ‘sustainable development’ paradigm.

The knowledge-based platform calls for thinking about tourism as a whole and systematically dealing with tourism issues in the tourism domain. Tourism, however, is not an independent kingdom with its own demarcations. Developmental issues are always complex and contain many different aspects. With the advance of people’s understanding of the world, tourism development since the late 1990s has been increasingly combined with other developmental scenarios towards achieving a more balanced development. Cater and Cater (2007), for example, examined marine ecotourism using the SLA from the view of the local community. Forsyth (1995), Hjalager (1996), and Fleischer and Tchetchik (2005) explored the interaction between tourism and agricultural development in rural areas in European and Asia countries. From the perspective of

biodiversity/ecology, Hughey et al. (2004) developed a classification framework to manage the sustainable use of natural assets for tourism; and more recently and more specifically, Lindsay, Craig and Low (2008), investigated the effects of tourism tracks on bird life in an open sanctuary in New Zealand. With the issue of global warming becoming an increasing concern for human beings, energy use and climate change have become hotspots in tourism research, with the development of knowledge in theory as well as in practice (see Harrison, Winterbottom, & Sheppard, 1999; Becken & Simmons, 2002; Becken, Simmons, & Frampton, 2003; Becken & Gnoth, 2004; Berrittella, Bigano, Roson, & Tol, 2006; Becken, 2008; Nepal, 2008). It may be argued, then, that a fifth platform of tourism – ‘**integration**’, following Jafari’s four platforms, is developing. With this platform, tourism and knowledge of other disciplines need to be organically integrated under the broader context of development in order to comprehend developmental issues encountered, rather than be mechanically and simplistically combined.

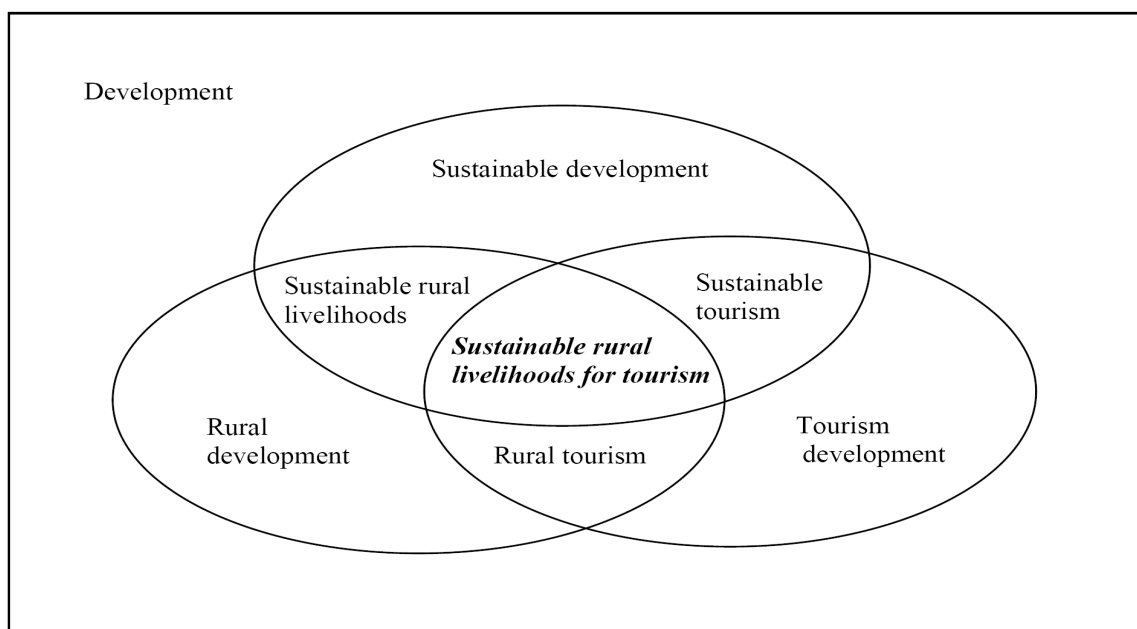
#### ***4.2.3 Relations between development, SL and tourism development***

In the previous section I summarised the evolving process of development theories and tourism development. In the case of rural development, it can be, in its simplest sense, understood as development in rural areas. It therefore follows the pattern of development as discussed in Chapter 2 and has gradually developed from a techno-centric approach in the 1950s to a people, poverty-oriented approach since the late 1980s (Ellis, 2000). Table 1 shows, chronologically, the evolution of the three development scenarios. It can be seen that rural development and tourism development are sub-sectors/subsets of the overarching development theories and have experienced similar developmental courses.

**Table 1. Evolution of development, rural development and tourism development**

Time sequence	Development	Rural development	Tourism development
1950s - 1960s	Modernisation (Welch, 1984)	Population and technology model (Schutjer & Stokes, 1984)	Advocacy platform (Browett, 1979; Jafari, 1990)
1960s - 1970s	Dependency theory (Frank, 1967; Hettne, 1995; Clancy, 1999)	Political economy of agrarian change (Aziz, 1978; Lea & Chaudhri, 1983)	Cautionary platform (Doian, 1989; Jafari, 1990; Oppermann, 1993; Khan, 1997)
1980s	Alternative development (Nerfin, 1977; Hettne, 1995; Sharpley, 2000)	Agricultural development (Ellis, 2000)	Adaptancy platform (Butler, 1990; Jafari, 1990; Dearden & Harron, 1994)
1990s to present	Sustainable development (Ashley, 2000; Hardy et al., 2002; Sofield, 2003)	Sustainable Livelihoods Approach (SLA) (Chambers & Conway, 1992; Carney, 1998b; Ellis, 2000)	Knowledge-based platform (Jafari, 1990; Hardy et al., 2002)

Based on the above, a diagrammatic framework to demonstrate the relationship between SL and tourism development is proposed (Figure 4). In the framework rural and tourism development are both embedded in the wider development context. SL for tourism is a convergence of sustainable, rural, and tourism development. Not only should SL be viewed and analysed in the context of rural development but also in the context of tourism. Accordingly, gaps between the SLA and tourism need to be examined in both the rural and tourism development context. These gaps are identified in the next section.



**Figure 4. Relationship between sustainable, rural, and tourism development**

### **4.3 Gaps between the SLA and tourism**

Based on the discussion above and discussion in the previous chapters, gaps between the SLA and tourism can be addressed in three areas.

#### ***4.3.1 Tourism context versus development tools of the SLA***

In primary industries, the rural poor are the producers. They sell products on the market and gain some of the benefits. Consumers are typically distant outsiders who consume products away from the sites of production. Such consumption does not entail consumers' direct socio-cultural influences on producers (in this case the rural poor) and affect their social integrity. For tourism however, producers are most likely outsiders such as external investors, national or local governments, rather than local rural poor. In decision-making about how and where tourism will develop, the local rural poor's voice is rarely heard (Richards & Hall, 2000; D. G. Reid, 2003). Local people are therefore no longer the only 'sellers' but often their livelihoods and daily activity patterns constitute the core of the tourism product/destination experience. In terms of consumption, tourists have to travel to the rural poor to consume tourism products. In coming from different environments the development and cultural divergence between guest and host ensures that social, cultural and ideological differences are often significant issues in tourism development and management. In fact, "the literature on tourism impacts has long since assumed a central position within the emergence of tourism research" (C. M. Hall & Page, 2002, p. 223). Tourism is therefore no longer a simple production-consumption phenomenon.

In a broader sense then, tourism has developed its own body of knowledge in many research fields, for example, Butler's (1980) 'Tourism Area Life Cycle (TALC)', Getz's (1987) four tourism planning approaches, Doxey's (1976) community irridex model, and Clarke's (1997) four-position pathway to understand the relationship between mass tourism and sustainable tourism. Tourism has thus formed its own ontological and epistemological bases. Methodologically, a set of research methods and techniques dedicated to tourism has been developed (e.g., Veal, 1992; Simmons, 1994; Jennings, 2001). All these underpin an increasing set of theoretical paradigms. Although arguments remain about whether tourism is multidisciplinary, interdisciplinary, or extradisciplinary (Echtner & Jamal, 1997; Tribe, 1997), a common ground is that tourism is increasingly

not viewed as a separate phenomenon or as an isolated development tool. It has its own research disciplines, a body of knowledge, and it is a context for wider considerations. Consequently, it may be argued that tourism should not be treated in the same way as other productive sectors when addressing livelihood strategies. Rather, tourism should be considered as a context from which the SLA is considered and viewed. This is the first gap between the SLA and tourism.

#### ***4.3.2 Tourism sustainability versus sustainability in the SLA***

A second gap lies in the notion of sustainability. As discussed before, sustainability is a predominant tenet in much tourism research as well as within the SLA. According to DFID (1999a), sustainable livelihood approaches should seek social, economic, environmental as well as institutional sustainability. However, sustainability in the SL framework, just as the definition of SL implies, seeks to strengthen the rural poor's capability and resilience for dealing with external shocks (DFID, 1999a). More specifically, the SLA aims to sustain individuals'/households', especially the poor's, livelihood assets and objectives without compromising the environment they live in and the livelihood opportunities open to others. Therefore the operationalisation of SL is often at the individual or household level.

The contents, scope and scale of tourism sustainability have been very contentious in the tourism literature (e.g., Hunter, 1995, 1997; Sharpley, 2000; Hardy et al., 2002). Hunter (1995, p. 155) suggests that the paradigm of sustainable tourism development has been too tourism-centric and parochial, leading to "inconsistent and inappropriate consideration of the scope and geographical scale of tourism's resource base". Therefore, destination issues should be addressed in a wider context. Based on this understanding, Hunter (1995, p. 160) proposed an extra-parochial paradigm of tourism development which he believed will be able to "contribute to the goals of sustainable development at local, regional, national and global levels". Taking account of the importance of environment, Hunter (1997) further suggested an adaptive paradigm of sustainable tourism. With this paradigm, the notion of tourism sustainability is intensified along with the increasing concern for environmental protection. Hardy et al. (2002), however, argue that more attention should be given to community involvement rather than traditional economic and environment development.

Whatever the arguments and debates of sustainable tourism are, it can be seen from the above and discussion in Chapter 3, that the sustainability of tourism mostly focuses on the tourism industry itself and destinations at the macro or meso level, rather than the rural poor at the micro level (UNWTO, 2004b). In contrast to livelihood sustainability focusing on the individual/household level, there may be conflicts between sustainable tourism and sustainable livelihoods in some cases, e.g., in allocating water rights, tourism may seek to preserve water as a tourist attraction while livelihood use may advocate the allocation of water for crop irrigation purposes.

Relationships between tourism and other product sectors (e.g., agriculture) in rural areas are not always competitive. Rather, the issue is how to effectively allocate resources (Cox, Fox, & Bowen, 1995; Hjalager, 1996; Sharpley & Sharpley, 1997; Fleischer & Tchetchik, 2005). However, most of these views arose in the developed country context. The situation often differs in developing countries, and it is in the context of developing countries that rural poverty is targeted by poverty-oriented development strategies. Significant differences between the rural poor in developing countries and farmers in developed countries may be in terms of land tenure and inequality (Campbell, Luckert, & Mutamba, 2003; Larkin, 2004; Mansuri & Rao, 2004). According to the World Resources Institute, rural people in developing countries had arable permanent cropland averaging 0.3 hectares and permanent pasture of 0.7 hectares per capita in 2005, whereas in developed countries these figures are 1.8 and 3.2 hectares respectively (WRI et al., 2005). In developing countries this plot mainly supports a subsistence economy. Multipurpose use of agricultural land may push the rural poor to a point where they cannot fulfil basic needs, although tourism can sometimes complement other nature-based livelihood activities. Accordingly, gaps exist between tourism sustainability and SL sustainability. The issue of sustainability within a SL framework for tourism should be addressed, taking note of the potential trade-off between SL at the individual/household level and tourism at the community/collective level.

#### ***4.3.3 Tourism participation versus participation in the SLA***

A third gap concerns community participation, an area where it is necessary to understand the difference between community participation in tourism and the SLA. Most rural poverty research focuses on developing countries. In developed countries, most farms are large-scale agriculture and owned by corporations or families. In developing

countries, small-scale farms, largely family owned and operated, are ‘owned’ by the poor. Small-scale farming “remains labour intensive and often lacks access to irrigation, fertilizer, or other inputs that raise productivity ... is the silent giant that supports the great majority of the rural residents in poor nations” (WRI et al., 2005, p. 45).

With small-scale farms, “the producer and consumer is frequently the same household” (WRI et al., 2005, p. 45). Because of lack of land and financial capital, agricultural co-operatives, common in developed countries, are hardly seen in developing countries. Therefore, in developing countries and for the rural poor, the rural economy is very often a subsistence economy. With conventional livelihood strategies, productive resources and units are individual/household-based, and relations among the rural poor are relatively simple. Consequently, although the SLA sheds light on the local poor and calls for participatory analysis in practice, there is little evidence to show local people’s motivations for participation in the decision-making processes and political governance (Ashley, 2000).

In the case of tourism, in contrast, productive resources have typically become collective-based. Tourists consider the whole destination as a product. Changes in one farm may influence the image of the destination as a whole and affect others’ livelihood results. In this context, relations among local people become complicated, leading over time to an increasing awareness of involvement in tourist marketing and political governance to safeguard their benefits (Tosun, 2000; Mitchell & Reid, 2001; Cottrell, Vaske, & Shen, 2007). Owing to the collective nature of tourism resources, tourism products, to some extent, can be considered common property. This leads to issues of benefit-sharing and access to tourist markets, two important forms of community participation in tourism development as discussed in Chapter 3. In other rural industries such as agriculture and fisheries, benefit-sharing and access to markets, however, are not always the greatest concern.

Most tourism research has demonstrated local people’s concern about involvement in tourist marketing and political governance (Tosun, 2000; Mitchell & Reid, 2001; Cottrell, Vaske, & Shen, 2007), and its significant influence on local people’s livelihood outcomes (Farrington et al., 1999). Notwithstanding, participation by local people in many developing countries is all too often confronted with operational, structural and

cultural barriers (Tosun, 2000). Neto (2003, p. 9) notes that “it is increasingly realised that promoting greater community participation in tourism development can lead to a more equitable sharing of benefits and thus greater opportunities for poverty alleviation”. Accordingly, community participation in a tourism system is crucial and can significantly change the rural poor’s livelihood outcomes.

Clearly, the normative concept of community participation has originated and been popularised in developed countries (Tosun, 2000). Community participation has traditionally meant power distribution (Arnstein, 1969). Timothy (1999) points out that participation should be viewed from at least two perspectives in the tourism development process, namely ‘participation in the decision-making process’ and ‘tourism benefits sharing’. In developing countries, particularly in rural areas, local people however, are commonly “denied any significant opportunity to participate in the tourist market” (Goodwin, 1998, p. 3), a factor proven to be of great importance to the poor’s livelihoods (Ashley, 2000). Thus, access to the tourist market needs also to be identified as a significant form of community participation. Consistent with the ‘Prism of Sustainability’ theorised by Spangenberg (2002b), the institutional dimension of sustainability requires strengthening people’s participation in the decision-making processes. Thus, an additional livelihood asset – the institutional asset – needs to be identified and be included and treated equally with the other five livelihood assets in theory, as well as in practice.

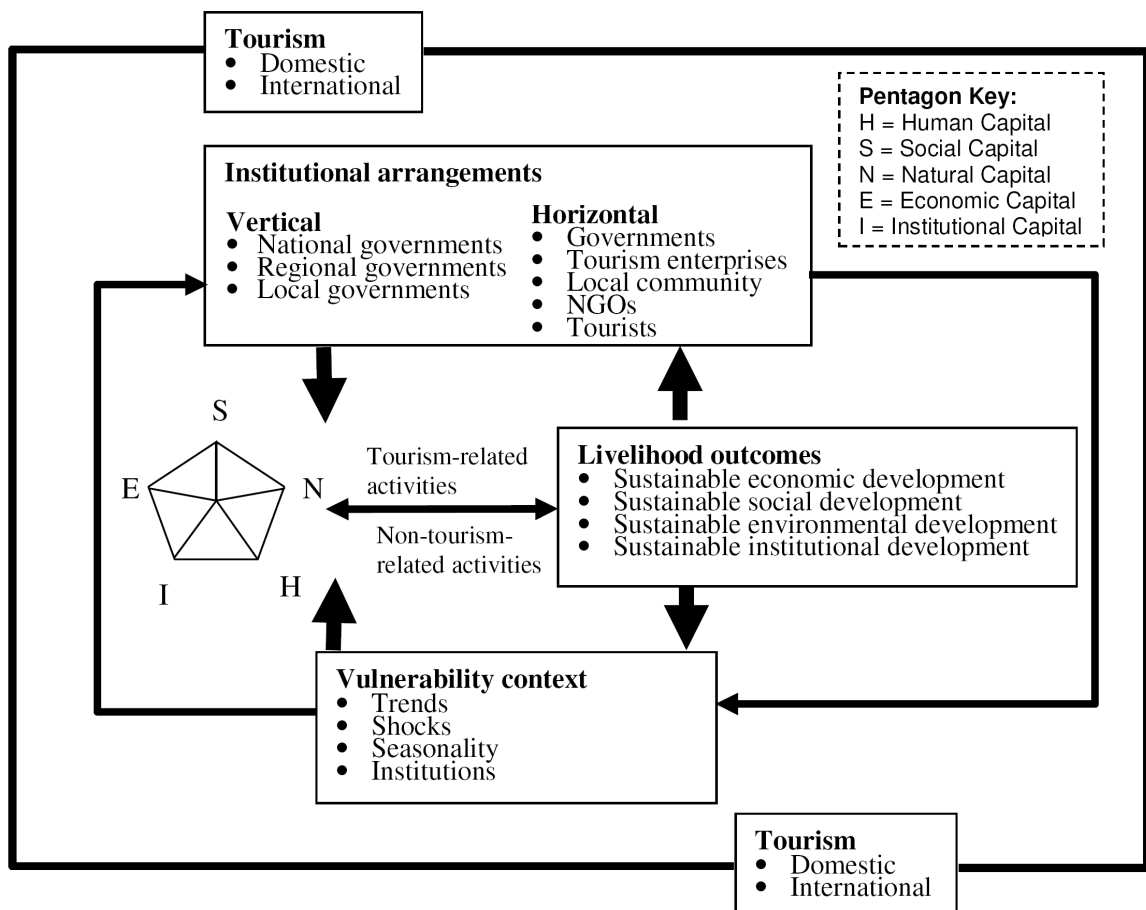
Overall then, tourism, as a tertiary service sector, is different from other productive sectors. This is especially true for rural development where tourism is used as a livelihood strategy. Neither the SL approach nor conventional tourism research theories can exclusively guide tourism to achieve sustainable rural development. Consequently, integration of SL and tourism is necessary.

#### **4.4 Sustainable livelihoods for tourism**

Based on the above, a tourism-livelihood approach must be broader and include core livelihood assets (natural, human, economic, social and institutional capital), activities related to tourism, and access to these to provide a means of living. A sustainable tourism livelihood is one that is embedded in a tourism context within which it can cope with vulnerability, and achieve livelihood outcomes which should be

economically, socially, environmentally as well as institutionally sustainable without undermining others' livelihoods (adapted from Chambers & Conway, 1992; Ellis, 2000). Thus, sustainable tourism can only exist within a sustainable destination.

A sustainable tourism livelihoods approach thus aims to incorporate key principles of SL and tourism. A proposed "Sustainable Livelihoods Framework for Tourism" (SLFT) demonstrates the key features of a tourism livelihoods system (Figure 5). The system includes assets, tourism-related and non-tourism-related activities, outcomes, institutional arrangements and vulnerability context. In the SLFT, tourism is seen as a context in which all factors are embedded, influenced, and shaped.



**Figure 5. Sustainable livelihoods framework for tourism**

#### 4.4.1 Tourism context

In a wider tourism context, consumers' profiles first need defining – international tourists, domestic tourists or both. Different market orientations shape tourism products and the local community in different ways (Jafari, 1986; Curry, 1990; Sindiga, 1996; Z.

Wen, 1997; Cattarinich, 2001; Seckelmann, 2002). Economically, international tourists generally require high quality accommodation and services needing high levels of investment. This need, however, is an obstacle to local people, especially the local poor, getting involved in tourism. Domestic tourists, in contrast, “may prefer medium quality, lower priced forms of accommodation ... the domestic tourism industry may be serviced largely by local people and supplied mainly from the local markets” (Archer, 1978, p. 140). Thus, domestic tourism is likely to contribute more to local incomes. Culturally, international tourists come from different backgrounds to domestic tourists, especially in developing countries. The impact of domestic tourists on local social and cultural integrity might therefore be much less than from international tourists.

Second, the types of tourism need consideration. From the perspective of community involvement, there is a continuum from enclave tourism to a communal approach to tourism development. Enclave tourism is often criticised for excluding local people involvement (Freitag, 1994; Hernandez, Cohen, & Garcia, 1996). The communal approach to tourism, a new concept, can “ensure local communities a basic involvement in sharing economic benefits from tourism” (Ying & Zhou, 2007, p. 96). Third, the stage of tourism development also needs consideration. Development is a dynamic process. It is hard to predict when primary industry is the livelihood strategy. Tourism development, however, generally follows Butler’s TALC model which provides a conceptual framework to analyse development at different stages.

#### ***4.4.2 Livelihood strategies***

In a tourism livelihood system, strategies are activities that people undertake to achieve their livelihood goals, consisting of tourism-related activities (TRAs) and non-tourism-related activities (NTRAs). In a tourism destination, local people typically rely on diverse income sources rather than only one livelihood activity. A livelihood portfolio can therefore be tourism-related as well as non-tourism-related. TRAs include direct and indirect tourism-related employment, formal and informal tourism business and tourism-related services, and farming for tourism purposes. NTRAs include labour migration, non-tourism-related employment, non-tourism-purpose farming, and others (e.g., timber harvesting). Before tourism, livelihoods normally comprise NTRAs. Along with tourism development, parts of NTRAs will change to TRAs. Tourism may not necessarily replace existing livelihood activities but will become dominant over NTRAs. Both TRAs and

NTRAs should be viewed in the tourism context.

#### *4.4.3 Tourism livelihood assets*

Similar to the assets in the DFID-based sustainable livelihood framework (SLF), tourism livelihood assets are fundamental to the poor and are at the heart of the SLFT. But, there are differences. Tourism livelihood assets in the SLFT comprise **human, social, natural, economic**, and **institutional** capitals.

- **Human capital** “represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives” (DFID, 1999a, p. 17).
- **Social capital** “is taken to mean the social resources upon which people draw in pursuit of their livelihood objectives” (DFID, 1999a, p. 19).
- **Natural capital** “is the term used for the natural resource stocks from which resource flows and services (e.g., nutrient cycling, erosion protection) useful for livelihoods are derived” (DFID, 1999a, p. 21).
- **Economic capital** has been used by Scoones (1998, p. 8) to refer to financial and physical capitals. In a broader sense, physical and financial capitals both belong to the orthodox economic concept of capital. For the rural poor, what they know and care about is economic benefits rather than how the framework terms are academically defined. Thus, for the sake of operationalisation, it is both justifiable and necessary to combine these two forms of capital into ‘economic capital’. The notion of economic capital here is different from the rigid academic definition – “the capital level that bank shareholders would choose in the absence of capital regulation” (Elizalde & Repullo, 2004). Economic capital here is defined as the basic infrastructure, producer goods and the financial resources that people use to achieve their livelihood objectives.
- **Institutional capital**. The newly added institutional livelihood asset introduced here is defined as ‘providing for people’s access to tourist markets, tourism benefits sharing, and access and participation in the policy-making process, and the extent that people’s willingness to be involved is reflected in political decisions to achieve better livelihood outcomes’. It calls for strengthening people's participation in political governance.

The greatest change to the livelihood pentagon proposed by DFID (1999a) lies in the addition of institutional capital into the SLFT. The revised pentagon in Figure 5 displays people's access to tourism livelihood assets. The central point of the pentagon, where the lines intersect, stands for zero access to assets while the outer perimeter has the greatest access. The shape of the pentagon is not fixed but changes with time when access to assets varies. The five assets are interrelated and are inter-compensable. Lack of access to one asset can sometimes be compensated by greater access to others.

#### ***4.4.4 Institutional arrangements***

According to Imperial (1999, p. 453), institution refers to “an enduring regularity of human action structured by rules, norms, or shared strategies and the *realities* of the physical and biological world”. Institutional arrangement is “the structure of the relationships between the institutions involved in some type of common endeavour”. In a tourism context, individuals, governments, (I)NGOs, enterprises and tourists interact and each party's behaviour may have a direct or indirect influence on individual livelihoods. Consequently, the mediating processes in vertical and horizontal institutional arrangements becomes vital to help ensure the tourism system runs as harmoniously as is possible in often contested contexts.

With tourism, institutional arrangements are reshaped. Vertically, tourism-related government sectors, which did not exist before tourism, are created, which reinforces the relations between governments at the national, regional and local levels. Horizontally, tourists, external investors and (I)NGOs move into the destination and change the local institutional structures. These alterations result in changes in laws, policies, regulations, and informal rules like norms which directly affect the rural poor's livelihood choices and livelihood outcomes.

#### ***4.4.5 Vulnerability context***

The vulnerability context includes shocks, seasonality, trends, and institutions. Shocks can refer to human health (e.g., disease epidemics), economic (e.g., 1997 Asian Financial Crisis), natural (e.g., the 5.12 Earthquake in China in 2008), and conflicts (e.g., wars and terrorism). Seasonality mainly points to seasonal fluctuations in the tourist markets which directly affect tourism prices, products and employment opportunities.

Trends include national/international economic trends, resource trends (e.g., energy availability), population trends (e.g., population expansion), and tourist market trends (e.g., from mass tourism to alternative tourism). Institutions consist of formal (e.g., laws, policies and regulations) and informal rules (e.g., behavioural norms).

Shocks mostly relate to tourism's external market risks and are largely unpredictable and unmanageable, but the outcomes they cause can be fatal for tourism livelihoods both at the macro and the micro levels. Occasionally, shocks, however, also mean opportunities for tourism development at the destination level which is quite different from the case with conventional livelihood strategies. A barrier lake formed after an earthquake, for example, can itself become a major tourism resource at a destination or contribute to the richness of tourism destination attractions, while remaining a hazard or risk to other productive sectors, e.g., farming.

With tourism as a livelihood strategy, seasonality becomes one of the greatest challenges faced by most tourism destinations and has a significant influence on livelihood assets and outcomes. As for trends, they are more predictable and are not always negative (e.g., trends in favour of ecotourism). Institutions which shape livelihoods are rarely taken as livelihood constraints in the livelihood literature. For a tourism livelihood, inappropriate institutional actions sometimes do increase vulnerability, so institutions should also be considered one of the vulnerabilities.

Vulnerability at different levels varies. At the national and regional level, trends are more of a concern than shocks, seasonality and institutions. At the local levels, seasonality is a more direct risk; institutions also can harm local tourism development, while shocks and trends become less important. However, some vulnerability detrimental to livelihoods at the individual/household level may not negatively affect tourism at the destination level, and vice versa, given consideration of livelihood diversification. Thus, all vulnerability contexts need consideration, as individual livelihood outcomes and developmental consequences of the tourism industry interact and will over time affect each other.

#### ***4.4.6 Tourism livelihood outcomes***

Livelihood outcomes have conventionally been discussed and measured at individual and household levels. However, in the tourism context, the image of rural tourism products is based on the local community as a whole rather than just each family or individual. In addition, according to Scoones (1998) and DFID (1999a), sustainability can be embodied in achieving livelihood outcomes. Therefore a trade-off between sustainable household livelihood, and sustainable tourism, outcomes needs examination.

Sustainable livelihood outcomes should seek to achieve people's, especially the rural poor's, livelihood objectives while sustaining tourism for the long-term. For tourism to achieve this it needs to: economically offer local people a long-term, reliable income source; socio-culturally maintain a stable local society and integral culture; environmentally protect local natural resources; and, institutionally maximise opportunities for local participation and involvement. Thus a sustainable destination will be maintained. The issues of sustainability of both livelihoods and tourism, in this context, need consideration.

#### ***4.4.7 Application of the SLFT***

The SLA was proposed and conceptualised in developed countries, but employed in rural poverty reduction and development in developing countries. From initially focusing on rural poverty and extended to poverty alleviation in a broader sense, the SLA proved adaptable (DFID, 1999a). Unlike PPT which considers poverty in the tourism vein, the SLFT integrates key principles of both the SLA and tourism and offers an organising framework to examine rural development with tourism as a livelihood strategy.

When conducting research applying the SLFT, all key elements need to be addressed and integrated to achieve holistic thinking. First, a close study of the tourism context is necessary. Questions need to be asked, such as: What is the tourist market composition? What type of tourism is it? At what TALC stage is the local tourism developing? A good understanding of the tourism context facilitates identification of the main issues for the next step and further analysis. Tourism livelihood assets are central to the research. Issues need to be investigated, for example, what assets do the rural poor have? Do they have access to these assets? If not, what are the obstacles? How do these

assets interact to support one's livelihood? How can institutional capital be addressed? In terms of livelihood strategies, what kinds of livelihood activities do local people use? What are the relationships between TRAs and NTRAs? How do they contribute to livelihood outcomes and evolve along with tourism development? Meanwhile, institutional arrangements need consideration to see how tourism changes local political structures, and formal and informal rules both vertically and horizontally. How will these changes affect local people's access to their assets and their livelihood outcomes? Do these changes influence the rural poor's ability and resilience to vulnerabilities? What are the vulnerabilities that rural livelihoods and tourism face? How can the rural poor cope with these vulnerabilities?

According to Ashley and Carney (1999, p. 33) "despite the words 'sustainable livelihoods', relatively little attention is paid to integrating sustainability with other concerns". They (1999, p. 2) further note that "use of SL approaches does not necessarily ensure that sustainability is addressed. Environmental, social, economic and institutional aspects of sustainability all need to be addressed, and negotiated among stakeholders". Therefore, examination of tourism livelihood outcomes needs to be carefully planned. What should be analysed? How can the issue of sustainability be addressed and measured with a focus on the trade-off between livelihood sustainability and tourism sustainability? Sustainability indicators have been widely used in evaluating tourism sustainability (see Spangenberg, 2002a; Shen, 2004; UNWTO, 2004a; Cottrell, Vaske, & Shen, 2007; Shen & Cottrell, 2008). Thus, developing a set of indicators may be a better way to address these concerns.

Overall, the SLFT approach appears to be applicable in multiple contexts. Practical applications and results may vary, but key principles should be similar. First, the SLFT is people-centred. This approach recognises the importance of people's primacy and puts people at the centre of analysis. Their perception of poverty, assets and livelihood strategy priorities needs to be highlighted. Second, the SLFT is a holistic approach. Tourism livelihoods have multi-actors involved and are influenced by many different factors. Therefore a complete understanding of tourism livelihoods needs a holistic development philosophy. It needs to be considered and analysed holistically. Third, the SLFT is a dynamic process rather than static. Ongoing monitoring and analysis, therefore, is very important and necessary. This can be guided by Butler's TALC model.

Fourth, sustainability is a key principle of this approach. Unlike other conventional livelihood strategies, the tourist market not only depends on producers (the host) but also consumers (the guest) and other factors (e.g., host-guest encounter). Therefore, tourism is relatively fragile and can be easily destroyed, and the issue of sustainability needs consideration.

#### **4.5 Chapter summary**

This chapter examined the relationships, and identified the gaps, between the SLA and tourism in a broader development context. It can be seen that both rural and tourism development are subsets of development theories in a broad sense. Thus, the relationships were not only considered in the context of rural development, but also were viewed in the context of tourism. The SL for tourism was a convergence of sustainable, rural, and tourism development. Given this understanding, gaps between the SLA and tourism were then identified in terms of tourism context, sustainability, and community participation. Based on the analysis of the relationships and gaps, finally, a concept of sustainable tourism livelihood approach was proposed and a SLFT was constructed, with elucidation on its key elements and principles for application.

Overall, the proposed SLFT offers an overarching framework for considerations of rural development with tourism being a rural livelihood strategy. It is expected to be able to maximise the benefits brought by tourism to the rural poor and contribute to rural poverty alleviation. However, the SLFT must be applicable to practice. More practical work needs to be undertaken to evaluate and improve the proposed framework's applicability. The next chapter will start the testing and evaluation of the SLFT's application in a Chinese context with the research methodology and methods.

# **CHAPTER 5 RESEARCH METHODOLOGY AND METHODS**

## **5.1 Introduction**

This chapter informs the reader of the research design. This research basically consists of two stages. The first stage involved constructing the Sustainable Livelihoods Framework for Tourism (SLFT) which has been done in the previous chapters. The second stage is to test the application of the SLFT. A mixed methodology and comparative case study method were adopted. Three mountainous rural villages in central China are chosen as case study sites. For the test of the application of the SLFT, a set of indicators IS firstly developed. Then, the research setting, data collection and analysis techniques are given. Research weaknesses and limitations are presented at the end of this chapter.

## **5.2 Methodology**

Much debate exists about tourism research methodology and methods (e.g., Simmons, 1985; Bouma, 1996; Davies, 2001; Jennings, 2001). According to the formality of research settings and mode of response, Simmons (1985) classifies research methodology as formal, informal and the integrative methodologies. More commonly, the concept of methodology lies in the categories of qualitative, quantitative and mixed methodologies consistent with the gathering of research data (see Denzin, 1989; Bouma, 1996; Veal, 1997; Sarantakos, 1998; Davies, 2001; Jennings, 2001).

Generally, a quantitative methodology involves collecting limited information from text-based quantitative data (e.g., census, government statistics) or a large number of people through questionnaire-based survey, whereas a qualitative methodology refers to the gathering of rich information from text-based qualitative data (e.g., literature, reports) or a small number of people through interviews and via observation (Veal, 1997; Jennings, 2001). Both quantitative and qualitative methodologies have advantages and disadvantages. It is believed that a quantitative methodology has the merit of validity of hypothesis but may oversimplify the reality. A qualitative methodology, in comparison,

allows an in-depth understanding of reality while being disadvantaged by limited generalisability (Simmons, 1985; Veal, 1997). Therefore, a combination and integration of both methodologies have been called for to offset the shortcomings of each methodology (Simmons, 1985; Denzin, 1989).

A mixed methodology refers typically to the blending of both quantitative and qualitative methodologies. However, the use of mixed methodology has itself often been debated. Dissidents argue that the two methodologies are respectively rooted in specific paradigms which stand in opposite positions to each other. As a result, mixing of methods results in self-contradictory mixing of theoretical world views (Jennings, 2001). In contrast, supporters emphasise the practicality of the mixed methodology. Davies (2001) points out that neither quantitative nor qualitative methodologies could deal with “reality” in all its own complexity. A suitable research methodology will depend on what is being researched and what is being pursued. If research focuses on some other goals, then both approaches are equally necessary to generate knowledge and understandings. Bouma (1996, p. 18) argues that:

*The challenge of the research process is to relate theory and research in such a way that questions are answered ... To answer our questions we need both theory and data ... The end result of the research process is neither theory nor data but knowledge ... The research process is a disciplined way of learning about ourselves and our world.*

Consequently, a mixed methodology is theoretically justifiable and is employed frequently in tourism research in practice. In essence, mixed methodology does not mean an assumption of common ontology and epistemology, but rather it is adopted to overcome the deficiencies of single methodological use, either qualitative or quantitative. In other words, it is a component of triangulation, to ensure both breadth and depth in the research (Patton, 1980; Davies, 2001; Jennings, 2001).

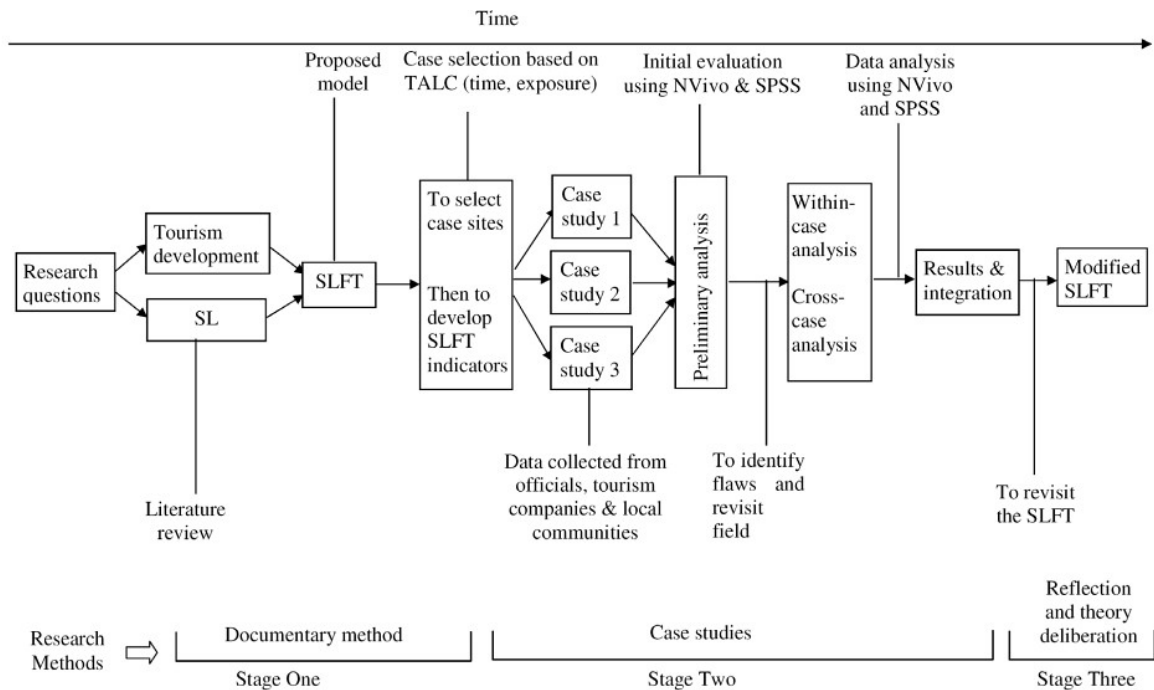
In reality, SL and tourism are complex and somewhat contested concepts. Exploring both concepts, within a development context, is challenging. It would be difficult to conduct this research using only quantitative or qualitative research methods. Therefore, methodological triangulation that “involves researchers using several methods to gather data relevant to a study” (Jennings, 2001, p. 151), should overcome the potential deficiency of a single methodological approach. Thus, a mixed methodology is adopted

instead of pure quantitative or qualitative methodologies. According to Sarantakos (1998), a research method is governed and guided by a research methodology. Therefore, a range of methods are also adopted to improve the external reliability and internal validity of results (Simmons, 1985; Horn, Simmons, & Fairweather, 1998).

### **5.3 Research methods**

This research aims to construct a theoretical model of the SLFT so as to guide tourism's application in rural development as a livelihood strategy. According to Sarantakos (1998), there are three ways of theory construction, the *hypothetico-deductive model* and *pattern model* in quantitative research and *grounded theory* in qualitative research. A *pattern model* perceives reality from two layers, the theoretical and the empirical. In this case, the theoretical pattern is the abstract reflection of elements and relationships in an empirical world. The empirical model implies that concrete substances and phenomena can be interpreted by, and understood through, the theoretical model (Sarantakos, 1998). This research was conducted in three stages, the construction of a theoretical model of the SLFT, testing the model in an empirical world, and refining the model to reflect on its application in practice (see Figure 6). Basically, this research follows the principles of the *pattern model*. Research methods employed in each stage therefore varied.

In stage one, 'documentary analysis' was employed to review and construct the theoretical model of the SLFT. Basically, the documentary method implies the literature review process in this research. Secondary data were collected from various resources and were analysed through content analysis. Prior to conducting the field work, a draft model of the SLFT was developed, which provided a framework for data collection. The approach is consistent with Bouma (1996, p. 18) who stated, "data cannot be collected without some idea (theory) about the answer to the question". After data collection from the field, a preliminary analysis was performed to identify flaws in the draft model which helped to revise and improve the model through a more extensive literature review. Further, a second round of field work was implemented in order to answer new questions raised in the amended model.



**Figure 6. Research concept map**

Stage two aims to test the SLFT model using the research method of the *case study*. From reviewing the literature, it is apparent that the case study method has been accompanied by debate over whether it can be applied to theory-building or not (e.g., Miles, 1979; Yin, 1981; Eisenhardt, 1989). Miles (1979) argues that within-case analysis was basically unmanageable and cross-case analysis was less well formulated. Therefore, Miles (1979) questioned the rationality of the case study being regarded as a scientific research method. Yin (1981), however, reviewed how within-case and cross-case evidence can be analysed and reaffirms the orthodoxy of case study as a systematic research tool.

Integrating Yin's (1981) pioneer interpretation about case studies, Robson (1993, p. 146) defines a case study as "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon with its real life context using multiple sources of evidence". Although there are still critiques regarding disadvantages of case studies, e.g., subjectivity and less generalisability, an increasing amount of literature has started to embrace the consequences of the case study as a research strategy (see Eisenhardt, 1989; Robson, 1993; Bouma, 1996; Sarantakos, 1998; Chaiklin, 2000; Jennings, 2001). As Chaiklin (2000, p. 48) states, there is no other form of research in common with the case study approach that could "simultaneously see the whole and the parts or to move the parts around to create different combinations". Chaiklin (2000, p. 47)

also points out that “regardless of whether it applies to an individual, group, family, organisation, or community the case study’s greatest strength is simultaneously considering multiple factors”.

In practice, detailed case study techniques have been developed to apply the method to practical research. Yin (2003) classified the different types of case studies and case study design. Eisenhardt (1989, p. 533) examined the strengths and weaknesses of theory-building from case studies, and developed a roadmap from “getting started to selecting cases, crafting instruments and protocols, entering the field, analysing data, shaping hypotheses, unfolding literature, and reaching closure” to build theories. Robson (1993), Sarantakos (1998) and Jennings (2001) also made their contributions by enriching debates on case study. Overall, it can be seen that the case study, as a research method, has been widely accepted for its many advantages such as methodological and data triangulation, single case or multiple cases, diverse data collection methods, and evidence being grounded in the studied social setting. Accordingly, multiple case studies were adopted for stage two in this research.

After the construction of the SLFT in stage one and the adoption of the case study method to test the model in stage two, stage three involves refining the theoretical model. Based on its application in, and findings from, the empirical world, the model is revisited and deliberated on. Modification is made to the SLFT where if is necessary to reflect on the empirical reality.

## **5.4 Research setting**

China is a developing country with nearly 60 percent of its population living in rural areas. In China, rural poverty is an enormous challenge and it remains one of the top priorities in governments’ agendas at every administrative level. Rural development relies traditionally on primary industries (World Bank, 2008). Along with the rapid growth of tourism in recent years in China, there has, however, emerged a growing view of advocating tourism as a “better” development alternative for rural poverty alleviation and sustainable rural development. Concurrently, many tourism projects were launched especially in remote rural areas (e.g., Cottrell, Vaske, Shen, & Ritter, 2007; Ying & Zhou, 2007). In addition, China is a socialist country and has a different political system from

most other developing, as well as developed, countries. It is hypothesised that the model of the SLFT can be used in areas and countries regardless of their political and social environments. China, then, was selected as the context in which the case study approach was implemented.

China is a huge country in terms of its size and population. By the end of 2005, according to NBSC (2005b), there were 1,307.56 million people in China of which 57 percent live in rural areas (excluding Hong Kong, Macao and Taiwan). The number of absolute rural poor was 23.65 million in accordance with the national poverty line of an annual per capita net income of 683 Yuan<sup>2</sup>. This number nearly doubled when applying the national standard of low annual per capita net income of between 684-944 Yuan. Among the 33 provinces, regions and direct-controlled municipalities in mainland China, Henan province is the largest with a population of 97.68 million by the end of 2005 which accounted for 7.5% of the overall national population, although it only accounts for 1.7% of the total land area of China (HPBS, 2005; NBSC, 2005b). In Henan province by the end of 2005, there were 67.74 million rural people, with agriculture playing a relatively more important role than it plays at the national level. The value added from the agriculture industry contributed 17.5% of the provincial GDP but only 12.4% of the national GDP (HPBS, 2005; NBSC, 2005b). With the lowest annual per capita net income, the number of rural poor in Henan Province reached 6.84 million which accounts for 16.8% of the national rural poor. For these rural poor, agriculture and labour migration have been their predominant livelihood sources (Henan Survey Leading Group of NBSC, 2006), and rural poverty alleviation has long been a difficult task faced by the provincial government and governments at all lower levels.

Tourism has grown rapidly in recent years in Henan province. Seen as a very positive tool against rural poverty, tourism is formally advocated by regional and local governments, enterprises and scholars. In some rural areas, especially remote mountainous rural areas, tourism generates significant economic benefits and has become the local base industry. Some rural villages were even selected as trials by the Chinese National Tourism Administration (CNTA) and their experiences were promoted

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<sup>2</sup> Yuan is the Chinese currency. One US dollar is approximately equal to 7.5 Yuan.

nationally (Cottrell, Vaske, Shen et al., 2007). Henan province is geographically located in the middle of China and is considered the cradle of Chinese civilisation (HTA, 2005). To some extent, Henan province is like a microcosm of China in terms of its developmental scope, scale and mode. Thus, Henan province offers an ideal place to carry out case study research and three rural villages involved in tourism in this province were chosen as the specific case study sites.

Case-site-selection was informed by Butler's TALC model. According to Butler (1980) and Haywood (1986), some criteria, for example tourist numbers and tourism receipts, can be used to judge which stage of tourism development a destination is at. Reviewing the annual tourist arrivals and tourism receipts, Guanxing, Yangzigou and Chongdugou, three mountainous rural villages, were respectively at the involvement, development and rejuvenation stages and were selected as the case study sites. The three villages are all located in Luanchuan county, Luoyang prefecture-level city (the third level in the administrative hierarchy of China), Henan province. Guanxing tourism officially opened in 2006, with Yangzigou in 2003, and Chongdugou in 1999. Tourism attractions of the three villages are all based on local natural resources, mainly water and mountains. The three villages served as the research subjects to examine how the SLFT can be applied in practice. In addition, because the three villages are at different TALC stages, comparison can be made to evaluate the SLFT response to tourism evolutionary pressures. Before considering data collection and data analysis, the SLFT indicators are developed and explained in the next section. The indicators were used to measure the SLFT and examine its applicability.

## **5.5 SLFT indicators**

Indicators have long been used by policy-makers, researchers and practitioners for the purpose of policy-making, monitoring and implementation (Miller, 2001; Choi & Sirakaya, 2006). Early application of indicators can be traced back to the mid-1960s when the social indicator movement started (Choi & Sirakaya, 2006, p. 1276). Over time, the indicator approach was increasingly employed in development research, especially after the concept of sustainability was proposed (see Innes & Booher, 2000; Valentin & Spangenberg, 2000; Farsari & Prastacos, 2001; Kammerbauer et al., 2001; Miller, 2001; Yuan, James, Hodgson, Hutchinson, & Shi, 2003; UNWTO, 2004a; Choi & Sirakaya,

2006). As defined by the UNWTO (2004a, p. 8), “indicators are measures of the existence or severity of current issues, signals of upcoming situations or problems, measures of risk and potential need for action, and means to identify and measure the results of our actions”.

Indicators are categorised in many ways. From the technical standpoint, indicators can be indirect/direct, descriptive/analytical, and subjective/objective. Based on the disciplines studied, there are economic, social, tourism, psychological, and other discipline-based indicators (Choi & Sirakaya, 2006). According to their different utility to decision-makers, indicators are classified as “early warning indicators, indicators of stresses on the system, measures of the current state of industry, measures of development impact on the biophysical and socio-economic environments, measures of management effort, and measures of management effect, results” (UNWTO, 2004a, p. 11). No matter how indicators are grouped, one common feature is that indicators are tools supporting policy goals and can be used at the national, regional and local levels. Measurement of indicators can be either qualitative, quantitative or both (UNWTO, 2004a).

There are two main ways of developing indicators for practical application. One is based on literature, empirical data and experts. This approach extracts and refines indicators from previous data and work. For example, Dymond (1997) used the indicators proposed by UNWTO to examine the extent of sustainable tourism development in New Zealand; Miller (2001) and Choi and Sirakaya (2006) developed indicators through the Delphi technique to measure tourism sustainability at the community and destination level; Farsari and Prasacos (2001) defined sustainable tourism indicators from the literature for Mediterranean destinations at the local scale. This approach is basically a *top-down* approach. The second approach is a community-based and community-involved (bottom-up) approach. This approach uses the community initiative resources in developing indicators. For example, Valentin and Spangenberg (2000) proposed a model of developing local sustainability indicators via local community participation and applied the model in the case of Iserlohn, a city in Germany; Inn and Booher (2000, p. 173) pointed out that “indicators must be developed with the participation of those who will use and learn from them” and proposed a strategy for community indicators. Yuan et al. (2003) practised the process of sustainability indicator development involving public participation with a case study of Chongming county, Shanghai, PR China. Both

approaches have advantages and disadvantages. The top-down approach is criticised for its focus on output but gives less attention to the process of indicator development and may not be able to fully reflect the actual situation (Innes & Booher, 2000, p. 173). The bottom-up approach may be overly time-consuming and more financial and human resources are needed.

In practice, a number of models and steps were proposed by development organisations, researchers and practitioners to help to develop indicators (e.g., Innes & Booher, 2000; Valentin & Spangenberg, 2000; Farsari & Prastacos, 2001; Kammerbauer et al., 2001; Miller, 2001; UNWTO, 2004a; Choi & Sirakaya, 2006). Comparing these models and steps, the procedures of indicator development are similar. Developing a set of indicators generally follows the process of *information preparation, public consultation/participation, indicator identification, implementation, and feedback and refinement*. Various criteria were used by different people to evaluate whether each indicator is appropriate. For example, an indicator can comply with the SMART criteria, an acronym for *strategic, measurable, attainable, results-oriented, and time-bound* dimensions (O'Neill, 2000). Hughes (2002), UNWTO (2004a), and Valentin and Spangenberg (2000) explain their understanding of how to evaluate indicators. Generally speaking, a good indicator should be:

- simple and understandable. It is easy for users to pick up and understand. Jargon and technical terms should be avoided;
- credible and reliable. Information and data sources used for indicators development should be scientifically reliable;
- feasible. It is able to be applied in practice and the required information is obtainable;
- relevant to, and can respond to, the selected issue;
- relatively sedentary. Indicators are comparable over time and across regions.

Clearly, no ideal number of indicators has been advised in the literature. Valentin and Spangenberg (2000, p. 381) suggest that “the number of indicators must be limited”. According to UNWTO (2004a, p. 41), “any attempt to cover all aspects of sustainable tourism with only a few indicators would be unrealistic”. However, they (2004a, p. 41) also note, “too many indicators can overwhelm users with too much information and can also overextend resources to support them”. Therefore, “the number of indicators will

depend on the size of the destination, the number of critical issues, the interests of the user group, the information and the resources available to track and report on the indicators” (UNWTO, 2004a, p. 42).

Previous work on tourism development indicators (e.g., Farsari & Prastacos, 2001; Miller, 2001; UNWTO, 2004a; Choi & Sirakaya, 2006) and sustainable livelihood indicators (e.g., DFID, 1999a; Turton, 2000; Messer, Townsley, & FAO, 2003; Grootaert, Narayan, Jones, & Woolcock, 2004) provided a sound basis to develop SLFT indicators. Following the steps and principles of indicator development discussed above, the SLFT indicators were developed under the guideline of the SLFT. Ideally, the process of developing SLFT indicators should be open and maximise local people’s involvement and participation. After proposing an indicator inventory, data should be collected and analysed to firstly identify the relevance and flaws of the selected indicators. Then indicators can be refined. However, due to the limitations of time, financial and human resources, the SLFT indicators used in this research were mainly drawn from the literature and previous indicator work. In addition, I had spent all of 2001 working in a mountainous village similar to the case study sites in terms of geography and development process. I also stayed in one of the villages used as a case study site for one month to research agritourism sustainability. Therefore, some SLFT indicators were developed based on the best of my knowledge of local people in these tourism development contexts.

Table 2 shows the SLFT indicators, their operationalisation, sources, and data collection methods. The SLFT indicators are mostly at the household and community level but cross the national, regional, prefecture-city and county levels with the SLFT element of vertical institutional arrangements. The indicators include both quantitative and qualitative information. All in all, the SLFT indicators developed are just tools to facilitate an understanding of how the SLFT can work in practice. Focus should be on the application of the SLFT rather than the indicator itself.

**Table 2. SLFT indicator matrices**

Key SLFT elements		Indicators	Operationalisation	Indicator sources	Data collection methods
Tourism context		Tourism development history	What are the relation between tourism and rural development? What is the village development process? How particular is the pattern?	SLFT, Butler (1980), Haywood (1986), Archer (1978)	Secondary data
		Tourist market types	What is the main tourist market? domestic or international?		
		TALC stage	Based on tourist arrivals and tourism receipts, which Butler's TALC stage is the village at?		
Livelihood strategies		Tourism-related-activities	What kind of livelihood activities are tourism related?	SLFT, Tao & Wall (2009)	Secondary data
		Non-tourism-related-activities	What kind of livelihood activities are not tourism related?		
Livelihood assets	Human capital	Ability to labour	What is the percentage of family labour?	SLFT, DFID (1999a), Ellis (1998), Ashley (2000)	Secondary data, in-depth, interview, questionnaire-based survey
		Education level	What is the education level of local people? Has tourism improved local educational level?		
		Literacy	What is the literacy rate in the village? Has tourism changed it?		
		Life expectancy	What is the average life expectancy of local people?		
		Adult mortality rate	What is adult mortality rate in the village?		
		Expense on health care, education and information	How much do local people spend on health care, education and livelihood information?		
	Social capital	Level of criminality	What is the criminality level in the village? How can it be compared the situation before tourism?	SLFT, DFID (1999a), Grootaert et al. (2004), Ellis (1998)	Secondary data, key informants, in-depth interview, participatory observation
		Level of alcoholism, vandalism	What is the level of alcoholism and vandalism? How can it be compared to the situation before tourism?		
		Women's status	What is the role women play in a family's livelihood? Is it different from the role before tourism?		
		Social networks	What social networks can local people rely on for a better livelihood outcome? How does tourism change the situation?		
		Trust among people	How is the situation of trust and solidarity among local people? How does tourism influence it?		
Economic	Income	What is the annual per capita income of rural households?	SLFT, DFID (1999a),	Questionnaire,	

	capital	Income portfolio	What are the family income portfolio and the proportion of overall family income that each livelihood activity accounts for?	Ellis (1998), Ashley (2000)	Secondary data, observation
		Employment	What is the employment rate? Is all employment tourism related?		
		Public infrastructures	How does tourism change local infrastructures? For example roads, water supply, sanitation, telecommunication, and electricity.		
		Shelter and buildings	How does tourism change local shelters and buildings? Can they be used for livelihood purposes?		
		Tools, machines, vehicles	What tools, machines and vehicles do local people have? How are these tools used for livelihood purpose?		
	Natural capital	Types of natural resources	What types of natural resources do local families have?	SLFT, DFID (1999a), Ellis (1998), Ashley (2000)	Secondary data, key informants, in-depth interview
		Productivity of the resources	How productive are the natural resources from the livelihood perspective?		
		Versatility of resources	How are the resources used?		
		The nature of access rights	Do local people have access to the types of natural resources? How does tourism change the access?		
	Institutional capital	Access to tourist markets	Do local people have access to the tourist market? How do they get involved in the tourist market?	SLFT, Goodwin (1998), Timothy (1999), Ashley (2000)	In-depth interview, participatory observation
		Tourism benefits sharing	How do local people share benefits from tourism development?		
		Participation in tourism management and administration	Can local people get involved in tourism governance? How do people participate in tourism management and administration?		
		Access to the decision-making process	Do local people have access to the decision-making process? If so, how?		
		Extent that people's willingness is reflected in political decisions	To what extent can local people influence decision-making for a better livelihood?		
	Institutional arrangements	Vertical institutional arrangements	Political structure change	How does tourism change the political structure at different administrative levels?	SLFT, DFID (1999a), Ashley (2000),
Policies, rules and regulations at different levels			What tourism-related policies, rules and regulations were made? How have the changes influenced local tourism livelihood?		
Horizontal institutional		Local government	How does local government influence local people's livelihood outcomes with tourism being a livelihood strategy?		

	arrangement	Village administrative body	How does tourism change the role that the village committees play in rural family livelihoods?		
		Private companies	What role do tourism development companies play in tourism development and how do they influence local livelihoods?		
		Tourists	How do tourists influence local people's livelihoods?		
		Interaction, formal and informal rules	How do all parties interact in a tourism livelihood system? What formal and informal rules does tourism generate and how do these rules influence local people's livelihoods?		
Vulnerability contexts		Trends	What kind of trends (e.g., economic, resource, tourist market trends) influence local people's tourism livelihoods?	SLFT, DFID (1999a), Ashley (2000),	Key informants, secondary data, in-depth interviews, participatory observation
		Shocks	What kind of shocks (e.g., natural disaster, epidemic disease shocks) influence local people's tourism livelihoods?		
		Seasonality	How does seasonality influence local people's tourism livelihood?		
		Institutions	How do institutional arrangements, interaction among all stakeholders, and formal and informal rules influence and change local people's livelihoods?		
Livelihood outcomes	Sustainable economic development	Local economy	Tourism brings more economic benefit to our family than existed before tourism.	SLFT, Cottrell, Vaske and Shen (2005), Joosten and Marwijk (2003), Mitchell (2001)	Questionnaire-based household survey (using 5 Likert Scale)
		Economic diversification	Tourism diversified our family's livelihood choice.		
		Employment	Tourism creates more job opportunities for us than were available prior to its development.		
		Costs of living	The prices of local products (like food, medicine) and services (like educational services) have increased because of tourism development.		
		Infrastructure	The region has better infrastructure (like roads, electricity, water, public transport) due to tourism.		
		Availability of education and health services	Education and medical services have become more available in general since the development of tourism.		
		Educational opportunities	I have more educational opportunities (like vocational training) due to tourism development.		
		Access to information	It's easier to access information valuable to our livelihoods because of tourism development.		
	Sustainable social	Safety	Tourism has increased the level of criminality, alcoholism, vandalism, etc.		

	development	Culture	Tourism negatively influences norms and values in our area. Local traditions and culture have become less important because of tourism.		
		Community solidarity	Tourism has increased community solidarity.		
		Trust	People have become less trusting since the launch of tourism.		
		Immigration/ Emigration	People who have immigrated to our village from outside because of tourism bothered me.		
		Recreation	Because of tourism we have more recreational facilities built for local residents.		
		Women	Women's status improved after the arrival of tourism.		
	Sustainable environmental development	Attractiveness of the area	Tourism development in the area makes the surrounding landscape more attractive.		
		Pollution and waste	Tourism causes pollution of the local environment (water, soil and air). Tourism contributes to better waste management in the region.		
		Natural resources	The number of visitors results in disturbance to plants and animals. Increasing exhaustion of water and energy resources was caused by tourist activities.		
		Local environmental awareness	As a result of tourism development, people's awareness of environmental protection improved.		
	Sustainable institutional development	Involvement in tourism management	Tourism development has made me more aware of opportunities to contribute to participation in management and governance.		
		Democratic and equitable access to power	Participation in tourism decision-making and governance is encouraged by local authorities. I feel I can access the decision-making process to influence tourism development in the district.		
		Communication	There is good communication and coordination among parties involved in the policy and decision making processes.		
		Fairness	Unfair social phenomena have increased since the development of tourism. Distribution of economic benefits generated by tourism is fair.		

## **5.6 Data collection**

As mentioned above, a mixed method inductive approach was chosen for this research. Different forms of data were gathered through various means.

### ***5.6.1 Data Sources***

Research data include primary and secondary data. Primary data means the data that are associated with research subjects and which are collected directly by the researcher. Secondary data are data collected by former researchers and are being used by another researcher as second-hand information but not associated with the initial study (Jennings, 2001). SL and sustainable tourism development are complicated concepts, and testing the SLFT is difficult and challenging. Accordingly, comprehensive information is required to answer all research questions and to fulfil the research goal and objectives, and quantitative and qualitative data are both necessary. Quantitative data comes from the questionnaire-based household survey, and qualitative data are made up of secondary data and primary data from in-depth interviews and observation.

In this research, secondary data were mainly gathered from university libraries, local tourism corporations, industry sectors and governments at national, regional and local levels in China, and the Internet. The main forms of secondary data include academic books and journal articles, public documents, archival documents, personal documents, administrative documents, and formal studies and reports (refer to Jennings, 2001, pp. 66-68). Secondary data collected in stage one provides background information to clarify the scope of this research and the context within which this research is conducted. These sources were also analysed to construct the initial SLFT. In the second stage, secondary data were used to evaluate the SLFT indicators as shown in Table 2. The collection of the primary data, however, is relatively complicated. Below are all details concerning primary data collection.

### ***5.6.2 Human ethics***

Complying with human ethics (HE) is a basic requirement for tourism researchers. It is for the purpose of protecting the rights of the individuals (including non-humans)

participating in tourism research, guarding the standing of the scientific community, and assisting the further development or enhancement of society via ethically determined findings (Jennings, 2001). This research is no exception. Based on the understanding of the Nuremberg Code, the Universal Declaration of Human Rights, and The Code of Ethics of the Australian and New Zealand Association for Leisure Studies (ANZALS), field work of this research was carefully planned to meet the requirements of the Human Ethics Committee of Lincoln University (HECLU).

Before submitting the HE application for the consideration of the HECLU, the questionnaire and interview questions were first developed to ensure all questions complied with the Policies and Procedures of HECLU. Information needed (including questionnaire and interview questions) was developed under the guideline of the SLFT (see Appendices 2 & 3). Relevant research information was submitted to HECLU along with the HE application in July 2006. After one revision, concerns from HECLU were addressed and approval was granted at the end August 2006 (see Appendix 1).

### ***5.6.3 The pilot survey***

The questionnaire was first designed in English. As the case study was conducted in the Chinese context, it then needed to be translated into Chinese. Given the low educational level of rural respondents, translation and wording had to be carefully considered to make sure all respondents could understand all survey questions. Thus, a pilot survey was carried out before the implementation of the field work.

A pilot survey is a small-scale rehearsal of a large survey. “It can be used to test out all aspects of the survey” (Veal, 1997, p. 194), e.g., questionnaire wording and layout, question sequencing, familiarity with respondents, fieldwork arrangements, response rate, and so on. In this research, the author, as aforementioned, knew the research context well, for example the physical access to the villages, and familiarity with respondents. The main purpose of the pilot survey, therefore, is to test the wording of survey questions to ensure that all questions are not ambiguous and are understandable by the respondents. According to Sarantakos (1998), the choice of pilot survey respondents can be based on considerations of the investigator’s convenience, accessibility of subjects and geographic proximity. In terms of the number of participants in the pilot, one percent of respondents is considered appropriate in this study. The sample size of this study is less than 400 (see

sampling below), therefore, five people were chosen from a rural village in one of the suburbs of Zhengzhou, the capital city of Henan province, China, where the interviews of government officials at the provincial level were first undertaken. Minor wording problems were found through the pilot survey and were corrected before application at the case study sites.

#### **5.6.4 Sampling**

Sampling is the act, process, or technique of selecting an appropriate sample. There are generally two types of sampling: non-random (non-probability) sampling and random (probability) sampling. Non-random sampling is often associated with qualitative research methods while random sampling is often a core requirement of quantitative research methods (Jennings, 2001). Both sampling techniques were used in this research. The theoretical population of this study is all rural communities using tourism as livelihood strategies in the developing countries. As this research examines the application of the SLFT within the Chinese context, the target population is all rural villages involved in tourism development in China. Information in this study was needed from governments, tourism corporations, and rural people. In a rural livelihood system, the research unit is all too often based on a family (Ellis, 2000). Therefore, samples were selected from governments at the provincial, prefecture-city, county and township levels, from tourism corporations, and from the rural families in the three case study sites, Guanxing, Yangzigou and Chongdugou.

##### **5.6.4.1 Sampling and data collection for in-depth interviews**

Field work was conducted in two rounds. In-depth interviews in both rounds used a non-random sampling technique – purposive sampling, in which the researcher makes the decision about who will be selected as participants in order to obtain the information wanted (Jennings, 2001). In-depth interviewing is a way of data collection in qualitative methods which is characterised by gathering rich information through a small number of people rather than limited information through a large number of people. Thus, determining appropriate representatives of the group becomes paramount (Simmons, 1994; Veal, 1997). Accordingly, five interviewees from governments, three from tourism corporations, and 35 from rural families were selected in the first-round of field work. In the second-round of field work, six participants in total, two from each of village, were

selected for the in-depth interview.

First-round interviews were carried out from October 2006 to January 2007 (see Table 3). One associate director from Henan Tourism Administration (HTA) was first interviewed to understand policies of the government at the provincial level regarding tourism as a livelihood strategy. After that, the head of the Director Office of Luoyang Tourism Bureau was interviewed, followed by the director of Luanchuan Tourism Bureau at the county level. The three villages administratively belong to the jurisdiction of three townships, respectively, with Guanxing to Shimiao township, Yangzigou to Luanchuan township, and Chongdugou to Tantou township. The associate mayor who controls tourism development in Shimiao township and the mayor of Tantou township were interviewed. However, the planned interview of the Luanchuan township mayor did not occur as the mayor refused to be interviewed. To compensate for this issue, the township government documents and reports were collected through Luanchuan County Council to examine policies and opinions toward tourism development in this town.

**Table 3. Matrix of interviewees**

Rounds	Objects	Provincial level	Prefecture-city level	County level	Township level	Community level
First-round	Governments	Henan Tourism Administration (n=1)	Luoyang Tourism Bureau (n=1)	Luanchuan Tourism Bureau (n=1)	Shimiao township government (n=1) Luanchuan township government (n=1) Tantou township government (n=1)	
	Tourism development companies					Peach Mountain Scenic Area Management & Administration (n=1) Luanchuan Yangzigou Recreational Resort (n=1) Luanchuan County Tanzhou Tourism Development Ltd. (n=1)
	Guanxing					Local people (n=13)
	Yangzigou					Local people (n=10)
	Chongdugou					Local people (n=12)
Second-round	Guanxing					Local people (n=2)
	Yangzigou					Local people (n=2)
	Chongdugou					Local people (n=2)

- Note: observation was conducted concurrently with interview and survey.

Interviews in the villages were implemented after the household survey. During the survey period, I became familiar with the situation of the three villages. This facilitated selection of the key informants, so that ultimately, 13 key informants from Guanxing, 10 from Yangzigou and 12 from Chongdugou were interviewed. In addition, there is an overarching tourism development company (TDC) in each village which is in charge of the overall tourism management and administration (see more details in the result chapters). After interviewing the local people in one village, one staff member from the TDC in the same village was interviewed. As a result, I interviewed the general manager of the tourism corporation in Guanxing, the director of General Manager's Office in Yangzigou, and the manager of the Marketing Department in Chongdugou.

After preliminary analysis of the data collected in the first-round field work, some new issues emerged and new considerations needed to be integrated into the SLFT. Thus, the second round of in-depth interviews were conducted from 26 September to 10 October 2007. Six key informants in this round were interviewed from the three villages, two from each (Table 3).

#### **5.6.4.2 Sampling and data collection of household survey**

A questionnaire-based household survey is a data collection method related to quantitative research method which typically uses random sampling (Jennings, 2001). A popular misconception used to be that the size of sample relates to the size of the population (Veal, 1997; Jennings, 2001). However, Veal (1997, p. 209) contends that sample size should be subject to "the required level of precision in the results, the level of detail in the proposed analysis, and the available budget". Krejcie and Morgan (1970, pp. 607-608) developed the "Table for Determining Sample Size from a Given Population" and point out that "as the population increases the sample size increases at a diminishing rate and remains relatively constant at slightly more than 380 cases". Veal's (1997, p. 211) table of "Confidence Intervals Related to Sample Size" assists here. From this table, Veal (1997, p. 209) argues that "it is the absolute size of the sample which is important, not its size relative to the population". A conclusion, then, can be drawn that a small sample size is not problematic with a large population since a large sample does not improve the degree of confidence to any great extent.

This research was conducted in Guanxing (482 families), Yangzigou (169 families) and Chongdugou (358 families) rural communities in China. The sample size needs to represent all households in the three rural villages. According to Krejcie and Morgan (1970)'s "Table for Determining Sample Size from a Given Population", a sample size of 278 in total would be sufficient in this context. For better representativeness, an actual sample size of 345 was obtained, with approximately a three-to-one ratio of resident households population (N=1009) to sample size (Guanxing: 165, Yangzigou: 59, Chongdugou: 121). The overall response rate was 98.6% (margin of error =  $\pm 1.28\%$  at the 95% confidence interval).

For ensuring the poor had equal chances to enter into the sample, a wealth ranking in each village was firstly made before implementing the sampling. The purpose of wealth ranking is to triangulate the representativeness of the poor with the sampling result. The wealth-ranking was carried out in each village via Rapid Rural Apprial (RRA) which "is often cost-effective compared with more conventional alternatives" (Chambers, 1981, p. 104). Poverty is a relative concept. Criteria can vary in different contexts (Ellis, 2000). In fact, there is a list of the poorest in each village committee, held by the administrative body of an administrative village in China, for the purpose of government statistics. But the list cannot reflect totally the real poverty situations in any one village. Therefore, poverty criteria were first set up through discussion with 1-3 key village committee members. The criteria in the three villages were basically the same and were mainly attributed to the type of family house, vehicles owned by a family, main income sources, and annual income per capita. Based on these criteria, local families were grouped into four categories, the rich, the better-off, the poor and the poorest (see Table 4). After wealth ranking, each village committee provided me with a Hukou list (household registration list), and the village committee members marked the family status on the list according to the poverty criteria. This helped the process of sampling in the in-depth interview. It was also used to check the representativeness of the poor and poorest in the survey sampling shown in Table 4.

**Table 4. Wealth ranking in the case study sites**

Ranking Wealth ranking	Ranking criteria	Type of houses	Vehicles	Main income sources	Annual income per capita
The rich		Two-storey or more building	Automobiles (e.g., truck, car, van)	Family hotel or other own business	4000 Yuan or over
The better-off		Two-storey building or single-storey house made of brick	Motorcycles or bicycles	Family hotel or other own business but not running well	Around 1500-3999 Yuan
The poor		Single-storey house made of brick or clay	Bicycles or none	Agriculture or labour	Around 800-1499 Yuan
The poorest		Single-storey house made of clay	None	Agriculture, labour, or government poverty allowance	Under 800 Yuan

Geographically, Guanxing consists of 14 sub-villages, Yangzigou four sub-villages and Chongdugou four sub-villages. To ensure each sub-village had an equal chance of being involved in the study, *multistage cluster sampling* was first used. Samples were proportionately divided into sub-villages according to household number in each sub-village, and then followed the *systematic sampling*. From the Hukou list of each sub-village, respondents were selected using a sampling fraction of one in three. In other words, every third household was selected from the Hukou list. After the sampling, selected respondents were compared with the wealth categories aforementioned. It turned out that the poor and poorest basically met the principle of proportionality. Their representativeness was assured.

The questionnaire-based household survey was carried out in the same time frame as the in-depth interviews. Questionnaires were completed in the respondents' houses. Family members were first asked about who wanted to be surveyed on behalf of the whole family. Gender was not an issue when choosing respondents. Respondents were required to be at least 16 years old. During the process of survey, other family members could give their opinions to me. This was allowed as the research unit was based on the family rather than individual.

#### **5.6.4.3 Observation-based data collection**

Observation is a “method of data collection that employs vision as its main means of data collection” (Sarantakos, 1998, p. 207). In terms of the degree of the observer's involvement in observation, there is a continuum from non-participant to participant observation. In this research, observation was more non-participant-oriented because of

the time limit. It happened concurrently with the household survey and in-depth interview. During the field work, I stayed in the villages which allowed me the chance to observe local people's daily life and their interaction with the TDCs and local governments. I stayed in an office of the TDC in Guanxing, a family hotel owned by a poor family turning into better-off in Yangzigou, and a family hotel owned by the head of the village committee in Chongdugou. Unstructured observation was recorded by camera and memos. Overall, observation in this research was used in combination with the in-depth interview to improve the richness of collected data.

## 5.7 Data analysis

As explained earlier in the research methodology and method, **content analysis** was adopted to analyse secondary data and data from in-depth interviews and observations. Content analysis is basically a documentary method and studies the content of various forms of communications (e.g., texts, pictures, audio and video documents) (Sarantakos, 1998; Jennings, 2001). In this research, interview data were first transcribed from audio documents into texts. Together with observation memos and pictures and secondary data, they were coded and analysed using the computer programme NVivo 8.0 which can be used to manage data more efficiently and to analyse non-numerical data to explore new ideas and theories (Jennings, 2001). All the text data were analysed using *structuration*, a type of text analysis which orders data according to a predetermined set of categories (Sarantakos, 1998; Jennings, 2001). The predetermined categories and themes in this research were based on the SLFT indicators developed above (see Table 2). Observation pictures were also analysed in accordance with the categories and themes. Adobe Photoshop was used to edit, contrast, and compare the pictures.

Quantitative analysis of data from the questionnaire survey used *the statistical package for the social sciences* (SPSS) software version 15. After data coding, entry and cleaning, univariate analysis of frequency was run for all variables to obtain an overview of all questions, for example, the social demographic characteristics of respondents (see Appendix 3). Bivariate analysis was run to examine relationships between two variables. Chi-square and *analysis of variance* (ANOVA) were used in the research. All analysis was guided by the analytic themes in correspondence with the SLFT indicators.

## 5.8 Limitations

There are limitations in this research. First, there was limited time and financial resources. This research was conducted to develop a Sustainable Livelihoods Framework for Tourism and to test the applicability of the SLFT. The SLFT covers the concepts of tourism context, livelihood assets, livelihood strategies, livelihood outcomes, vulnerability contexts and institutional arrangements. Each concept contains large information needs which required collection and examination. However, the case study sites were located in remote mountain rural areas in China. It was very expensive to fly to China to collect data and then fly back to New Zealand to analyse it. Due to limited funding, the field work was carried out only by me. I spent four months in the first-round of field work and one month in the second-round, which is a short time by the standards of ethnographic research. Although field work was conducted twice, it is not enough to obtain complete and exhaustive data, given that the SLFT needs a long-term ongoing test.

The second limitation concerns the SLFT indicator development. As mentioned earlier, ideally, the development of the SLFT indicators should follow the process of *information preparation, public consultation/participation, indicator identification, implementation, and feedback and refinement*. However, because of limited time and financial resources, the SLFT indicators were mainly drawn from the literature and based on the best of my own knowledge. The local community were not involved in the process of indicator development. This may compromise the representativeness of the indicators, especially considering that the research intended to obtain perceptions of local people. The pre-developed SLFT indicators might not cover all details, but the subsequent field work showed that the SLFT indicators grasped all major local people's concerns. Omitted concerns identified through preliminary analysis were offset by the second-round field work.

There might be other limitations in the research. For example, some local people may not have disclosed their true family income as it is a kind of taboo to show off richness; some people may exaggerate their expenses to gain sympathy. For minimising the negative impact of the limitations, I carried out two rounds of field work and used data triangulation to improve the reliability and validity of this research. Overall, these limitations were all pre-considered and were mitigated through more complete consideration of method design. Finally, while attempting to build a global model, the

case studies may be limited to the Chinese context in its current status and its new economic paradigm (migration from central to market economy)

## **5.9 Chapter summary**

This chapter has explained the research methods used in this research. Proper and well designed research methods are important to ensure the validity, reliability and legitimacy of a study (Simmons, 1985). This research included two stages. Stage one refers to the literature review (the documentary research method) used to help construct a theoretical model of the SLFT. Stage two examined the application of the model in the field.

A mixed methodology approach was adopted in this research. Under the guideline of the methodology, a case study research method was applied to three rural villages using tourism as a livelihood strategy in Henan Province, China. Before the field work, a set of SLFT indicators were developed to guide data collection and analysis. Both secondary and primary data were collected. Primary data were gathered through in-depth interviews, questionnaire-based household surveys, and observation. Qualitative data were analysed through content analysis, while quantitative data were analysed using statistical approaches (e.g., frequency, t-test). NVivo and SPSS were used to assist in managing, processing and analysing the data. The next five chapters show the results from field work and the data analysis. The following chapter will first examine the tourism context and vertical institutional arrangements in a tourism livelihood system in China.

## **CHAPTER 6 THE CHINESE TOURISM CONTEXT**

### **6.1 Introduction**

Given the research methods adopted in Chapter 5 and guided by the Sustainable Livelihoods Framework for Tourism (SLFT), this chapter firstly analyses the Chinese tourism contexts and vertical institutional arrangements at the national, regional, and local levels that the case study sites administratively belong to. It aims to give an understanding of how tourism is increasingly used as a rural livelihood strategy in China and what role the institutions and policies play in facilitating this development change at different administrative levels. This chapter basically employs a top-down approach to examine the Chinese tourism contexts and vertical institutional arrangements, which will, however, provide a basis for considering livelihoods from a bottom-up perspective in the next four chapters.

### **6.2 Tourism development in China**

China is a vast country with rich tourism resources ranging from natural scenery (e.g., mountains, caves, lakes, waterfalls, and biodiversity) to cultural attractions (e.g., cultural heritages and ruins, ancient architecture, Chinese classic landscapes, ethnic folk customs, and food), which can be characterised as *diversity*, *richness*, *oldness*, and *uniqueness* (G. He, Sun, Zhang, Chen, & Dong, 1999). So far, 37 sites in China have been registered on the World Heritage List of which seven are natural heritage, 25 cultural heritage and four mixed (World Heritage, 2008). However, in contrast to its big-country status in the world in terms of tourism resources, Chinese tourism development has disproportionately been slow. While tourism in China has a long history, its growth and development can be grouped into four phases.

#### **6.2.1 Before 1948**

China has a more than 5000-year history of civilisation. Before 1000 B.C., the term “*You*” (travel) had emerged in the ancient Chinese literature (Ming Yang, 2006). However prior to the 20<sup>th</sup> century, the term *you* had discretely been used to imply a personal leisure activity that was a privilege of the gentry and the upper-class. During the

semi-colonial period from the late 19<sup>th</sup> century to the foundation of the People's Republic of China in 1949, tourism in China started to grow into an economic activity in some areas. In 1923, Shanghai Commercial Bank founded the first travel agency in China – China Travel Service. Some hotels and motels were built in Shanghai by colonists. Tourism in this phase gradually formed the rudiment of the concept of modern tourism, in an economic sense.

### ***6.2.2 From 1949 to 1978***

Since the foundation of the People's Republic of China in 1949, there has been an increasing demand for developing international relations with other countries. In this context, tourism entered into the Chinese central government's agenda. On 15<sup>th</sup> April 1954, China International Travel Service (CITS) was launched in accordance with the first Premier Zhou Enlai's requirement. Fourteen branches were respectively set up in Beijing, Shanghai, Xian, Guilin and 10 other cities. CITS was the first nation-wide travel agency running international travel business. In 1964, the central government founded the tourism administrative body – China Travel Affair Administration (CTAA) which positioned tourism's function as "promoting China's international political influence and earning foreign exchange" (G. He et al., 1999). CITS was also incorporated into the administrative body as one of its departments. In 1965, international tourist arrivals reached a historical record of 12,877. It seemed that tourism in China would have a bright future. However, this development trend was broken by the start of the Cultural Revolution (1966-1977). During this period, tourism development experienced a big depression and only served a diplomatic purpose (Xiao, 2006). Tourism was just a political tool rather than an economic activity in this phase.

### ***6.2.3 From 1978 to 1985***

In December 1978, an historic resolution was adopted at the Third Plenary Session of the 11<sup>th</sup> Congress of the Communist Party of China (CPC). This resolution decided to shift the state agenda from political struggles to economic development, which is also well-known as the "reform and open policies". In the following year, Deng Xiaoping, the de facto former supreme leader of China, gave five talks on tourism which were considered to have initiated the revival of tourism in China (Xiao, 2006). In the period from 1978 to 1985, many political reforms were carried out. These reforms greatly

facilitated Chinese tourism development. In March 1978, the CTAA was reorganised and renamed the National Tourism Administration of China (CNTA) which is directly subject to the state council. Meanwhile, government tourism sectors were also set up at the regional and district levels. In September 1979, a national tourism work conference was held and called for shifting tourism work from emphasising political service to economic development. The CITS was separated from CNTA in 1981 and started to run as a company. Many policies, laws and rules were made during this period. The first tourism-related statute – “Interim Regulations on the Administration of Tourist Agencies” were issued by the State Council on 11 May 1985 (G. He et al., 1999). All these contributed to the revival of tourism.

In 1978, international tourist arrivals were 716,000, with foreign exchange earnings of 263 million US dollars. By the end of 1985, international tourist arrivals had increased by 10 times and tourism receipts by five times. The number of hotels qualified for accommodating international tourists reached 325, double the 1980 figure. It can be seen that tourism shifted from serving purely political tasks to an economic strategy at this stage. It started to grow into an industry of real significance. Tourism development, during this period, can be characterised as rapid growth, small-scale, and simple structure (G. He et al., 1999).

#### ***6.2.4 From 1986 to 1994***

At the end of December 1985, the State Council sanctioned the “National Tourism Development Plan: 1985 – 2000 (NTDP)” proposed by CNTA. In early 1986, the State Council integrated the NTDP into the “7<sup>th</sup> Five-year National Development Plan” which positioned tourism as “actively developing tourism industry to earn foreign exchange and facilitate unofficial and civil communication in the world” and decided to invest in tourism development by 500 million Yuan per year. This was the first time that tourism was included in the national development plan. Tourism’s status as an industry was further clarified (G. He et al., 1999). On 14 November 1987, the State Council released the second tourism-related statute – “Interim Regulations on the Administration of Guide Personnel”, followed by the rules “Implementation Procedure of the Interim Regulations on the Administration of Tourist Agencies” and “Star-rating Standards for Tourist Hotels” issued by CNTA in 1988. These laws and regulations formed the basic political and administrative framework of the Chinese tourism industry (G. He et al., 1999). In June

1992, the State Council adopted the “Resolution about Accelerating the Tertiary Industry Development” which considered tourism the priority of the tertiary industry. Sooner or later, governments and relevant government sectors at every administrative level put tourism into economic and social development plans. Most provinces, autonomous regions and direct-controlled municipalities declared tourism to be an important pillar or priority industry to be developed (G. He et al., 1999).

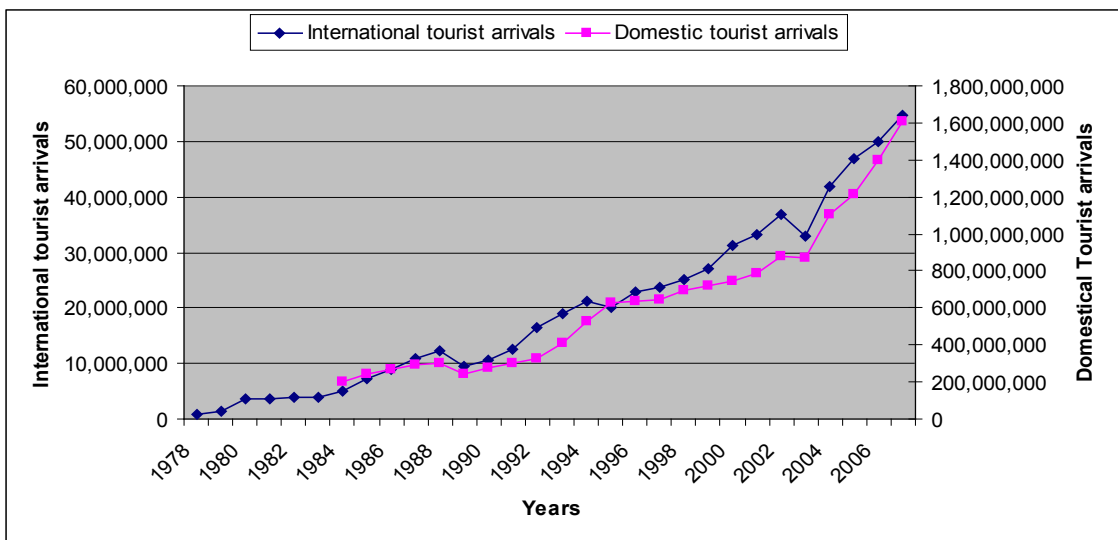
During this period, the Chinese economy had grown quickly. The annual per capita disposable income of urban households, by the end of 1994, increased to 3179 Yuan from 690 Yuan in 1985, with an increase for rural people from 397 Yuan in 1985 to 1220 Yuan by the end of 1994 (NBSC, 1985, 1994). The economic growth greatly motivated the development of domestic tourism. A domestic tourist market began to develop. In addition to the robust growth of the international tourist market (a threefold increase of international tourist arrivals during this period), domestic tourism also showed vigorous growth. The CNTA started to collect information on domestic tourism from 1984 when the number of domestic visitors was 200 million. By the end of 1994, this figure had risen to 524 million (NBSC, 1984, 1994).

Tourism at this stage showed several characteristics. First, tourism was clearly positioned by the government as an industry serving foreign exchange earnings and national economic needs. Second, the tourism political and administrative framework was formed. Third, the international tourist market continued rapid growth. In 1994, international tourist arrivals into China and international tourism receipts both registered in the top 10 countries in the world. Fourth, a big domestic tourist market started to emerge, grow and mature.

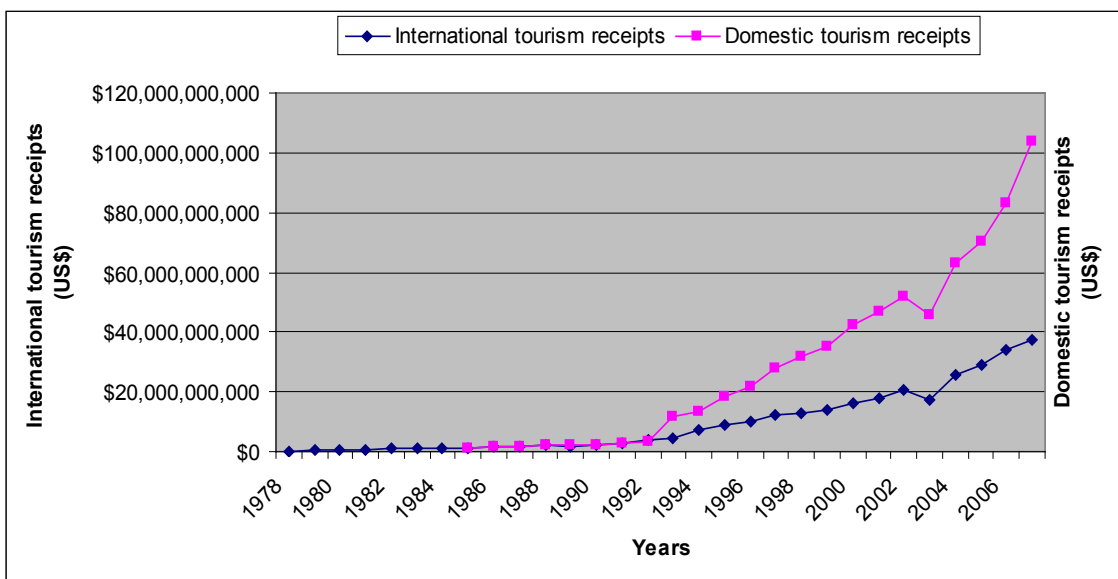
#### ***6.2.5 From 1995 to present***

After 15 years’ fast growth from 1978, Chinese tourism matured. From 1995 to 2007, international tourist arrivals grew at an annual average rate of 7.98%, with an international tourism receipts growth rate of 14.05%. By the end of 2007, China ranked fourth in international tourist arrivals and fifth in international tourism receipts (UNWTO, 2008). In May 1995 the State Council approved the statute of the five-workday week and issued the policy of “three-gold-week” holidays in 1999, namely the 5.1 International Labour Day, the 10.1 National Day, and the Spring Festival holidays. More free time and

increasing disposable income greatly promoted domestic tourism development (Huang, 2002). During this period, the annual growth rate of domestic tourist arrivals and domestic tourism receipts reached respectively 9.30% and 17.53% on average. By the end of 2007, gross tourism receipts accounted for 4.40% of national GDP (CNTA, 2007b; NBSC, 2008a). Figures 7 and 8 show Chinese tourism development from 1978 to 2007. Two downturns occurred in 1989 and 2003, respectively caused by the impacts of the Tiananmen Square Affair in 1989 and the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003.



**Figure 7. International and domestic tourist arrivals from 1978-2007 (Data sources: NBSC, 1997, 2008a)**



**Figure 8. International and domestic tourism receipts from 1978-2007 (Data sources: NBSC, 1997, 2008a)**

For a time there was a popular view among scholars and governments in China that tourism is a “smokeless” industry. Tourism had been greatly promoted and pursued as a “clean” economic tool by governments at all levels (Z. Zhao, 2002). Since the late 1990s, tourism’s negative impacts were gradually recognised and the concept of sustainable development was introduced into the Chinese tourism industry (Wei & Han, 2003). However, the notion of sustainability mainly meant environment and ecology at that time. Environmental protection was greatly emphasised in tourism development and ecotourism became a catchword (C. Ma, 2002; Z. Zhao, 2002). For example, the CNTA has promoted a tourist theme every year since 1992, and the tourist theme of 1999 was “Ecological Environment Tour”.

Upon entering into the 21<sup>st</sup> century, the fast domestic tourism growth greatly facilitated rural tourism’s boom and rural tourism attracted much attention from governments, scholars and practitioners (J. Du & Xiang, 1999; J. M. He & Li, 2002; Xu, 2003). The proliferation of academic publications covered a wide range of interests from rural tourism definitions, products and marketing to rural tourism impacts, planning, and pro-poor tourism (e.g., J. Du & Xiang, 1999; Q. L. Gan & Chen, 2000; J. M. He & Li, 2002; J. M. He, 2003; Z. R. Li, 2003; Xu, 2003). In this context, the role played by tourism in rural poverty alleviation was recognised and was greatly promoted by Chinese governments. In 2006, the CNTA named the year’s tourist theme as “China Rural Tourism”. In August 2006, CNTA held the first China Rural Tourism Festival and the International Forum on Rural Tourism (IFRT) in Guizhou, China. The IFRT was jointly organised by CNTA and UNWTO. After the forum, CNTA issued the policy guideline “Directive Advices on Boosting China Rural Tourism Development” which positions developing rural tourism as the important mission of implementing the CPC’s and the country’s strategic decisions, the active practice of being involved in the construction a new socialist country, the important path to pull rural development through urban development, and the major strength of pushing tourism to become an important industry of national economy (CNTA, 2006). Thereafter, a series of policies were developed to provide policy and financial support to rural tourism. This greatly stimulated rural development, and tourism has become an effective tool for helping to ameliorate rural poverty in China.

In relation to the history of Chinese tourism development, some characteristics can

be summarised. First, governments played a key role in leading and directing tourism development. Second, international and domestic tourism have been growing rapidly, and this trend will likely continue for quite a long period. According to UNWTO (2000), China is predicted to rank first in terms of tourist arrivals by 2020. Third, the notion of sustainability is an important factor in tourism development but mainly concerns the environment. Fourth, tourism plays an increasing role in rural poverty alleviation and rural development. The driving force of rural tourism is domestic tourism growth (Aziz, 1978).

From the above, it can be seen that it is only recently that tourism has been employed as an economic tool in rural development. The next section will analyse historically the approaches to rural development in China to see how tourism works as a livelihood strategy.

### **6.3 Tourism as a livelihood strategy in Chinese rural development**

Throughout Chinese history until very recently, rural people have always accounted for more than two-thirds of the overall population (Aziz, 1978). Even today, according to NBSC (2007), 55.1% of Chinese people still reside in rural areas. When speaking of rural development in China, it is, however, always related to the terms “agriculture” and “poverty” because of the fact that rural people have traditionally relied on agriculture for a subsistence economy. Just as mentioned in Chapter 11 of the China’s Agenda 21 (ACCA21, 1994), “agriculture is at the basis of China’s national economy. Only with sustainable agriculture and rural development can overall sustainable development in China be ensured, therefore it deserves high priority”.

China has a long agricultural history of more than 4500 years. In 1500 B.C. the Chinese people had learned how to use bronze to make farming implements, and in the 1300s Chinese peasants started to use grasses and night soil to fertilise their land. As Aziz (1978) comments, “in a technological sense and in comparison with most other countries of Asia or Africa, China’s agriculture at the time of liberation in 1949 was relatively advanced”. However the advance of agriculture meant little change to a peasant’s life. They used to live at the bottom of the society and their lives always related to the words “famine” and “poverty”. One of the fundamental reasons is the big population but limited

arable land. As estimated, the population of China was about 65 million in 1400, with cultivable land of about 24-28 million hectares. The population increased to around 500 million by 1949, a nearly tenfold growth, but the cultivable land increased only five times and was 98 million hectares in 1949 (Aziz, 1978). In other words, arable land per capita halved in more than 500 years and was just 0.2 hectare in 1949. Most arable areas were controlled by a small number of landlords and rich peasants. Studies show a slight difference of proportions, but roughly 10 percent of the rural population were landlords and rich peasants in the early 20<sup>th</sup> century and they owned 70-80 percent of the land. The poor and small peasants, 70 percent of the rural population, owned only 10 percent of the land (G. Zhao, 1977; Aziz, 1978; Domes, 1980). Therefore, recent rural development in China has been closely related to the land reforms.

### ***6.3.1 The first round of land reform (1949-1952)***

The Chairman Mao era, 1949 to 1978, was of great significance in China's history. It drastically changed the peasants' fates. Any study of China's rural development cannot be delivered in isolation from this period. Many have written about the models and approaches to agriculture and rural development during this period, for example the people's communes (e.g., G. Zhao, 1977; Aziz, 1978; Domes, 1980; Tam, 1985). In this chapter, an exhaustive discussion on this period of history is not attempted. Rather, a brief introduction is presented to facilitate the reader's understanding of China's context and its subsequent relationship to tourism as a development tool.

After the establishment of the People's Republic of China in October 1949, the first land reform was carried out between 1949 and 1952. This reform firstly withdrew land ownership from the landlords and rich peasants and then redistributed the land to all peasants (including the landlords and rich peasants) on an equal basis. This was a huge step in China's history as this was not only a change of land ownership, but also it meant a change of social structure. This reform gave the peasants, especially the poor and landless peasants, a great sense of dignity about their work and social status. Farm work was no longer considered inferior (Aziz, 1978). This change greatly increased peasants' enthusiasm to engage in agricultural activities. However, this family-based small peasant economy did not perform very well in raising agricultural productivity because of a lack of producers' goods and implements. The vulnerability of small-scale agriculture was especially apparent when coping with natural disasters and undertaking larger projects.

This situation pushed China's agriculture towards a larger-scale collective agriculture, from a small peasant economy.

The movement towards collective agriculture was completed in six years from 1952 to 1958 and experienced four stages, namely *mutual aid teams*, *elementary co-operatives*, *advanced co-operatives*, and *the people's communes* (Aziz, 1978). With the mutual aid teams, 6-8 households pooled their labour, farm implements and animals to constitute a team, while retaining individual land ownership. It was a simple relationship between the team members. One benefit was to more effectively use available means of production. The second stage of collectivisation was the elementary co-operatives. Besides the means of production, peasants pooled their land for joint or collective cultivation. Income distribution was based on the work done, and the property contributed, by each member of the co-operative with a ratio of about 7 to 3. The advanced co-operatives were the third stage of the movement. In scale, the advanced co-operatives were formed by 10-20 elementary co-operatives. Unlike the elementary co-operatives, the income distribution of the advanced co-operatives was determined by the work done rather than land and farm implements pooled by members of the co-operatives. The fourth stage of collectivisation was the people's communes. In an economic or a productive sense, the people's communes were similar to the advanced co-operatives. But it was much more than an economic or productive form. According to Aziz (1978, pp. 46-47):

*"A Chinese commune is not a large agricultural co-operative but a composite unit of local government that encompasses that whole range of economic, social, administrative and political functions for the rural community. Its essential purpose is to organise and mobilise the rural population, to develop their land and other resources in order to meet their essential needs on the principle of self-reliance while at the same time reducing social inequalities and creating a rural society based on justice and equality"*.

With the people's communes, the basic production and accounting unit was the production brigade or production team which consisted of 20-40 families or a natural village. The landownership belongs to the communes but not individuals although each family in the commune could still retain a private plot as a vegetable garden. Income distribution was based on the work done by each member of the commune (Aziz, 1978). The communes had advantages of accumulating limited capital and human resources to cope with big farm projects and national disasters. Many agricultural infrastructures, for example irrigation reservoirs and channels, were built by communes through manpower.

These facilities greatly helped to raise agricultural output. Even today's agriculture benefits from the infrastructure built at that time. In 25 years from 1953 to 1978, the people's communes were the political and economic system used in China. During this period total cultivated land increased by one-third while grain production, a good index of China's agricultural progress, nearly doubled and reached 285 million tons by the end of 1975 (Aziz, 1978).

The people's communes had a huge influence on China's rural development and on the course of China's modernisation. Due to the issue of population and arable land in China, the philosophy of rural development between 1949 and 1978 had taken equity as the first priority and then economic development. The population increased 50 percent from 1949 to 1975 whereas the increase in cultivated land was about one-third. Therefore, the primary developmental goal was to fulfil the basic needs of people. It proved that the collectivisation based on equity was successful at least in this sense. In addition, since 1949 every Chinese has felt a greater sense of safety and security of life (Aziz, 1978). This was an exceptional achievement. Given these considerations and as discussed in Chapter 2, it can be said that rural development at this stage fell into the general category of political economy.

### ***6.3.2 The second round of land reform (1978-1982)***

Although collectivisation in China gained great achievements, "at a subsistence level, a worker is seldom willing to put in more work than is justified by his money wages unless he is working to improve his own land or future prospects" (Aziz, 1978, p. 52). The system of egalitarian income distribution did not encourage people's initiative or enthusiasm for work. With the rural development of China, this defect became more evident. The people's communes, to some extent, became an impediment against further development of productivity. The people's communes were a masterpiece of Chairman Mao for the practice of socialism and were impelled through his strong willpower. Because of Mao's personal authority, nobody had questioned the system of the people's communes when he was alive. With the death of Chairman Mao in 1976, there emerged an increasing demand to review the success of the people's communes and to explore a better way of rural development (R. Du, 1989).

The period 18-22 December 1978 was a milestone in China's history when the

household contract responsibility system (HCRS) was adopted at the Third Plenary Session of the Eleventh Party Central Committee to replace the people's communes. With the HCRS, the landownership still belongs to the collective or the state, but the mode of production and income distribution was greatly changed. The farmland was allotted and contracted to each peasant household in accordance with the number of members in the household. The households instead of the collectives decided what to grow and produce on the farmland. After harvesting, the households needed to hand over a certain quota of produce (mainly grain production) and tax to the state and collectives. The remaining produce belonged to the households. The more the households produced, the more profits the households gained (Yan, 1989). This greatly stimulated peasants' enthusiasm for agriculture. From 1979 to 1984, "per capita grain production grew from 319 kg to 395 kg and the supply of farm products rose by 24.2%" (R. Du, 1989, p. 5).

Due to limited arable land, farming alone could not use all peasant labour. Therefore, the HCRS released a large labour surplus from the agricultural sector that was used to work on agricultural infrastructure projects during the off-season of agriculture in the people's communes' system. In 1985, China started to introduce the western market system into the national economy. This facilitated the boom of small town enterprises. The small town enterprises absorbed much of the surplus labour and contributed much to the growth of rural family income. In many cases, income from off-farm employment even accounted for a major share of overall family income. The annual per capita net income of rural households grew from 133.57 Yuan in 1979 to 397.6 Yuan in 1985 (NBSC, 1979, 1985, 1997). Meanwhile, there was a sharp decline in rural poverty from 76 percent in 1980 to 24 percent in 1985, which was attributed to the agricultural reform – the HCRS (World Bank, 2008).

### ***6.3.3 The third round of land reform (1997-1999)***

The HCRS greatly boosted China's agricultural development in the 1980s. However, upon entering the 1990s, agricultural production seemed to peak. Grain production fluctuated between 40 and 41 million tons from 1990 to 1995 (MoAC, 2007), and peasants' income growth slowed down from a double-digit rate in the 1980s to a single-digit rate in the 1990s (G. Li, 2006). In this context, there emerged a voice for reforming landownership (T. Wen, 2003). This voice argued that family-based small-scale farming had limited further growth of agricultural productivity. Because of the fetter

of the HCRS, land cannot be sublet, sub-chartered, or sold on the market. Therefore, the family-based farming system had inhibited more extensive and effective application of the modern agricultural technology to raise agriculture output as large-scale farming usually does in developed countries. To overcome this defect, land should be allowed to be bought and sold on the market. However, this viewpoint was challenged by many who contended that the HCRS should not be abandoned owing to the special context of China; the huge size of the population and limited arable land. Land in China is not only for agricultural production but also serves certain social functions in rural China. It is more like a form of social welfare and guarantee for the rural unemployed. Hence, land cannot be privatised (T. Wen, 2003; G. Li, 2006). In 1996, most land contracts signed during the second land reform would expire. The central government decided to retain the HCRS by extending the contracts by another 30 years. This was the so-called the third round of land reform. Technically, this was not another land reform; it was basically an extension of the policy of the second round of land reform.

Rural people accounted for 82.1% of the overall population in 1978, 71.0% in 1995, and 55.1% at the end of 2007 (NBSC, 1997, 2007). According to official statistics (State Council of China, 2001), 250 million or 30.7 percent of the total rural population were poverty-stricken in 1978 using the Chinese absolute poverty standard – an annual per capita net income in rural areas of 100 Yuan in 1978, equivalent to 206 Yuan in 1985, 300 Yuan in 1990, 625 Yuan in 2000, and 785 Yuan in 2007 (NBSC, 2005a, 2007). This standard of poverty equates to the lowest cost to maintain one's basic needs for food and clothing. When applying the UN poverty line of US\$1 a day, 80 percent of the rural population would fall into the category of absolute poverty in 1978 (World Bank, 2008). In 2007, the rural poorest (annual per capita net income of 785 Yuan) and the rural poor (annual per capita net income between 786 – 1067 Yuan) totalled 33.2 million (NBSC, 2007). Applying the US\$1 a day standard, however, 135 million people were extremely poor in 2007 in China, of which 125 million were in rural areas, which accounted for 17.2% of the overall rural population (Luo, 2007). Therefore, rural development plays an extremely important role in China's overall development.

Agriculture is the main economic activity that the rural people rely on. In 1978, more than 90% of the annual per capita net income of rural households came from agriculture (NBSC, 1997). This figure was 72.4% in 1990 and, still, more than half came

from agriculture by the end of 2006 (NBSC, 2008a). However, the fact is that there is an irreconcilable conflict between people and arable land in China. By the end of 2006, rural cultivated land per capita was only 0.14 hectare (NBSC, 2008a). This small plot is only able to support a subsistence economy. It is not possible to maintain long-term economic growth based solely on agriculture. Moreover, food, especially the grain crop is a strategic necessity in China. The Chinese government controls domestic grain prices. Since February 2007, there has been a rapid price rise in the international grain market. Grain prices nearly doubled in the following year. However during the same period in China, domestic grain prices only increased by 7 percent (NBSC, 2008b). Therefore, the land functions as nothing more than a guarantee of social welfare and security for the rural people. Since 1997, due to declining crop prices, the growth rate per capita of the annual net income of rural households which was 9% in 1996 has been decreasing, to 8.5% in 1997, 3.4% in 1998, 2.2% in 1999 and to 1.9% in 2000 (NBSC, 2008a). To maintain the growth rate of rural family income, after 2000, the central government reinforced support to rural development through livelihood diversification (Lin, 2007), urbanisation (Friedmann, 2005; Yusuf & Saich, 2008), financial support (State Council of China, 2005b, 2006), and policy support (State Council of China, 2001; XNA, 2005).

In August and December 2002, the Agriculture Law and the Law on Land Contract in Rural Areas were adopted respectively to strengthen the position of agriculture as the foundation of the national economy, to protect peasants' rights, and to increase rural income (State Council of China, 2005a, 2005c). The government annual expenditure on agriculture increased from 123.15 billion Yuan in 2000 to 317.2 billion Yuan in 2006 which includes expenditure for supporting agriculture production, agricultural capital construction, technology promotion, and rural relief (NBSC, 2008a). In October 2005, a decision to build a nationwide new socialist countryside was made at the Fifth Plenum of the 16th CPC Central Committee. This decision is of great historic importance and is a new movement towards sustainable Chinese rural development. Its overall goals are "*more products, better life, civil ethos, tidy villages, and democratic administration*". It calls for integrative thinking about, and intensified support to, China's rural development (Zhu, 2006) and may be considered a new philosophy of rural development in China. To support this movement, China's legislature abolished the agricultural tax which has existed for more than 2600 years, in January 2006 (XNA, 2005). The abolishment of rural taxes and fees has greatly benefited peasants by eliminating 33.6 billion Yuan of

agricultural tax and over 70 billion Yuan of various fees and charges (XNA, 2006b). All these measures took effect, and since 2001, the growth rate of the annual per capita net income of rural households increased by 5% in 2001, 4.6% in 2002, 5.9% in 2003, 12% in 2004, 10.8% in 2005, 10.2% in 2006, and 15.4% in 2007 (NBSC, 2007, 2008a).

#### **6.3.4 Tourism as a rural livelihood choice**

The Chinese government has made many efforts to support China's rural development. Among these efforts, rural livelihood diversification is one important approach. Clearly, rural people cannot expect continuous income growth from agriculture. On the other hand, rural reforms freed the rural labour pool. Therefore, many rural labourers have gone to the big cities and towns to engage in off-farm jobs. In the last 20 years, off-farm employment or rural labour migration has become an increasingly important part of rural family income. The proportion of off-farm rural labour to overall rural labour has increased from 8.8% in 1983, to 20.6% in 1990, 31.6% in 2000, and 40.5% in 2005 (MoAC, 2007). The contribution of wage income to overall per capita annual rural net income increased from 20.2% in 1990, to 31.2% in 2000, and to 38.3% in 2006 (NBSC, 2008a). However, there is a special condition in China called "urban and rural dual structure" or rural-urban divide. As Ho et al. (2004, p. 4) describe:

*"Another unique feature of Chinese society is the formal institutionalisation of a rural-urban divide through the household registration or hukou system – a remnant of the Soviet state. Through the hukou system the state strictly controlled rural-urban migration. Those with a rural hukou were excluded from the urban job market, social welfare, housing and education. The rural-urban divide also ensured that only the members of rural collectives enjoyed access to agricultural land. This exclusion of urban entrepreneurs, officials and citizens prevented the rise of a class of impoverished, landless peasants".*

In spite of the rural-urban divide, every year since 1993, more than 100 million rural labourers have continued to migrate to urban areas for employment, and in 2005 there were more than 200 million migrant peasant workers (MoAC, 2007). Most migrant peasant workers would prefer to reside in urban areas if possible as they believe that they would have a better life in a city/town than in rural areas. However, the rural-urban divide makes this less realisable. Migrant peasant workers are excluded from the urban *hukou* registration system and do not enjoy the social welfare available to urban workers. What is more, migrant peasant workers very often confront a bad working environment, for

example, the popular phenomenon of migrant peasant workers' wage or salary being defaulted (in 2003 the default on wage and salary reached 100 billion Yuan), bad working conditions and insufficient work protection, working overtime but without payment, and low-level of social security (F. Yang, Lan, & Dou, 2004). Because of the bad working environment, there is increasing demand to abolish the rural-urban divide. However, due to China's large population, big cities do not have the capacity to accommodate such a large amount of rural labour, and it is unrealistic to rescind the rural-urban divide, at least at this stage. Therefore, policies have favoured the development of township and village enterprises which absorbed the majority of rural surplus labour (Ho et al., 2004).

Apparently, tourism has the potential to provide an alternative to agriculture for rural peasants, by focusing on local business. However, tourism received little attention in agriculture-and-rural-development-related policies at the national level until 2006 although its role in the national economy has been widely recognised since the early 1980s. In practice, tourism showed its strong vitality in rural development and poverty alleviation. In 2006, China's countryside tourist spots hosted more than 300 million tourists and earned more than 40 billion Yuan from the tourism sector (Shao, 2007). Since 1980, about 70 million rural poor have directly benefited from tourism (Zou, Ma, Zhang, & Huang, 2005). With the unfolding of the movement of building the new socialist countryside in 2006, the role of tourism was re-examined by the tourism sector at the national level and tourism was required to play a more extensive and active role in raising rural family income and reducing rural poverty (CNTA, 2006; Shao, 2007).

To help meet this aim, CNTA took a series of steps including public, policy, and financial support. In 2006, CNTA named the year's tourist theme as "China Rural Tourism", and together with UNWTO, the World Bank and the provincial government of Guizhou, CNTA hosted the 2006 international rural tourism forum to promote rural tourism development in China (XNA, 2006a). In the same year, CNTA adopted the "Directive Advices on Boosting China's Rural Tourism Development" to advise government tourism sectors at the provincial, prefecture-city, county and township level on improving tourism's role in rural development and poverty alleviation (CNTA, 2006). In March 2007, CNTA and the Ministry of Agriculture signed the "Cooperative Agreement on Promoting the Construction of New Socialist Countryside and Tourism Development" to support tourism's role in the movement of building the new socialist

countryside (CNTA, 2007a). All these steps boosted rural tourism development in China and an increasing number of rural villages started to adopt/employ tourism as the main livelihood strategy.

Being a relatively new industry, there is a lack of statistics on rural tourism in China. Best estimates are that rural tourism mostly happens in the central and western areas of China (Q. L. Gan & Chen, 2000; Z. R. Li, 2003; Shen, 2004; Zou et al., 2005). However, according to a Chinese official statement, central and western China are, also, mostly the home of the absolute rural poor, about 35% in the central area and half in the western areas (NBSC, 2005a). Geographically, these areas are mainly mountains and plateaus, short of arable land but rich in natural or cultural tourist attractions (State Council of China, 2001). These poverty-stricken areas have some developmental traits in common, namely, weak infrastructure, a rapidly growing population but a low level of education, poor agricultural production conditions, low revenue, and seriously inadequate public input (State Council of China, 2001). Compared with primary industries, tourism fits better in these developmental gaps in those poverty-stricken areas. First, tourism development needs good accessibility which promotes more public input into local infrastructure. Second, employment opportunities created by tourism are usually labour-intensive, with a relatively low requirement for the labour's educational level. Third, tourism generates more government revenue than agriculture, especially since the abolishment of the agricultural tax in 2006, which is favoured by local governments. Accordingly, tourism has been increasingly and recently embraced by the poverty-stricken rural areas.

At the national level, clearly, tourism is not considered from the livelihood perspective. As stated in the "Directive Advices on Boosting China's Rural Tourism Development" enacted by CNTA, the principles of developing rural tourism are: first, to integrate rural tourism development into the overall deployment of the construction of the new socialist countryside; second, to comply with the actual rural situation and tourism economy laws; third, to insist on the principle of sustainability; and fourth, to place improving rural tourism services as the first priority (CNTA, 2006). The working foci of the tourism sector are: first, to intensify the extent of supporting rural tourism development while relying on governments at every administrative level; second, to promote the construction of a rural tourism service system; third, to drive rural tourist

market development; fourth, to improve human resources in rural tourism development; and fifth, to further direct work on various types of rural tourism development (CNTA, 2006). Therefore, it can be seen that tourism in rural development is still viewed from tourism principles like marketing, tourism products, and services at the national level. Tourism does not particularly favour the rural poor and is not looked at from a rural livelihood perspective, although its role in rural development has been widely recognised and rural tourism has been growing rapidly in the last decade.

## **6.4 The Henan Province tourism context**

Henan is geographically located in the central part of China. It is often called *Zhongyuan* in Chinese which literally means “central plains” or “midland” (PGHP, 2008). The area of Henan province is 167,000 km<sup>2</sup> and ranks 17<sup>th</sup> in size out of 33 provinces, autonomous and special administrative regions, and direct-controlled municipalities in mainland China, while only accounting for 1.73% of overall China’s area. Plains and basins occupy 55.7% of Henan province, with mountains and hills respectively 26.6% and 17.7% of the area. Henan is the most populous province in China. By the end of 2007, the overall population of Henan had reached 98.69 million, accounting for 7.5% of the Chinese population. In terms of administration, Henan consists of 17 prefecture-level cities and one directly administered county-level city (PGHP, 2008).

### **6.4.1 Rural development in Henan province**

In Henan province, 64.80 million people reside in rural areas and rural development has always taken a high priority in governments’ agenda. Henan is the largest province in China in terms of its scale in rural population and agricultural output. Agriculture has traditionally been the main industry in the Henan provincial economy. Grain output has kept increasing from 20.98 million tons in 1978 to 52.45 million tons in 2007, one-tenth of China’s grain output. However, per capita arable land was only 0.08 hectare on average at the end of 2007 (NBSC Henan Investigation Group, 2008b). This small plot of land is only suitable for a subsistence economy rather than supporting a long-term growth of rural family income. In fact, besides the long-term emphasis on agriculture, the provincial government has paid great attention to rural livelihood diversification in order to raise rural family income. The share of agriculture in rural annual net income has declined to 64.65% in 2006 from 81.51% in 1996 (NBSC, 1997, 2008a).

From 1978 to 1996, rural income grew rapidly, from an annual net income per capita of 101.4 Yuan to 1579.19 Yuan. The next six years was a period of stagnation of the rural economy. Per capita rural annual net income in 2003 only increased 28.94% compared to 1997. Since 2003, the rural economy has recovered. By the end of 2006, per capita rural annual net income reached 3261.03 Yuan. The revival of the rural economy in recent years can be attributed to pro-rural policies and the increase in investment in rural development, especially since the start of the movement of building a new socialist countryside. According to the NBSC Henan Investigation Group (2008a), from 1979 to 1997, provincial government investment in the rural economy was 16.9 billion Yuan. However, this figure soared to 61.45 billion Yuan from 1998 to 2007. Pro-rural policies have been developed to diversify the rural economy, particularly the transfer of surplus rural labour through labour migration, and developing manufacturing and service industries in rural areas (PGHP & CPC Henan Province Committee, 2006).

In spite of the rapid rural development in recent years, rural poverty was still a big challenge. By the end of 2006, 31 counties among the total 159 county-level divisions in the province still retain the title of “National Targeted Counties for Poverty Alleviation” and 44 with the title of “Provincial Targeted Counties for Poverty Alleviation”. The absolute rural poor population was 6.12 million according to the national poverty line (PAOHP & DFHP, 2007). This number may rise to 24 million when applying the international poverty line of 1 US dollar per day, which applies to approximately 37% of the total rural population. Most of the rural poor live in mountain areas which are short of arable land but rich in natural resources. People there used to live on local natural resources like mining, timber, and mushrooms growing on cut-down trees, which have contributed to local environmental degradation, for example deforestation, soil erosion and water retention. To address these environmental concerns, in 1999, the central government initiated the Grain for Green programme which targets the conversion of 14.67 million hectares of cropland to forest by 2010 (FAO, 2007). By 2005, Henan had converted 0.82 million hectares. In addition, the state council adopted the scheme of “Natural Forest Conservation Project in the Areas of Upstream Yellow River and mid-and-upstream Yangtse River” (NFCP), proposed by the State Forestry Administration in 2000. The project covered 15 mountainous counties in Henan province. In these affected areas, mountains were not allowed to be used for farming purpose anymore and cutting of forest was restricted to prevent soil erosion (FAHP, 2003). This policy, however, has

greatly impacted on local rural people's livelihoods which have conventionally relied on the consumption of local natural resources. Efforts have been made to diversify local rural livelihoods or seek livelihood alternatives. Tourism has been keenly promoted by government as one such option.

#### ***6.4.2 Tourism as a rural livelihood strategy in Henan province***

Henan is a big province in terms of tourism resources. Due to its geographical advantages, Henan was the core area of ancient China and is regarded as the cradle of China's civilisation. Twenty dynasties had set up national capital cities in the province. Four of the eight biggest ancient capitals of China are in Henan and the province has long been the political, economic and cultural centre of China. Henan is very rich in cultural heritages and ranks first in underground cultural relics and museum cultural relics in China. The internationally well-known Kongfu is also rooted in the province. To date, two sites in Henan have been registered on the list of the World Cultural Heritage, and 189 sites were titled "Key Cultural Relic Site under the State-level Protection". In addition, Henan is also the origin of the Chinese surname. Among the most popular 300 surnames in China today, 171 are derived from Henan. Every year, many overseas Chinese come to Henan to seek their family history and travel around. Besides the cultural tourism resources, Henan is also proud of its beautiful natural scenery. Funiu, Taihang and Tongbai mountains range from the north of the province, along the west and the south, to the east. The Yellow River passes through Henan from the west to the east. The well-know Xiaolangdi Dam and Hydroelectric Power Plant standing on the Yellow River is located in the province. To date, there are two places in the province titled "World Geological Parks", 11 "National Nature Reserves", eight "National Scenic Resorts", 19 "National Forest Parks", and many others at the provincial level (PGHP, 2008).

Tourism development in Henan, however, is not commensurate with its status as a big province in terms of tourism resources. In 2007, Henan hosted 0.88 million international tourists, ranking 19<sup>th</sup> of 31 provinces, autonomous regions and direct-controlled municipalities in China. Foreign exchange earnings were 31.8 million US dollars, ranking 20<sup>th</sup> in China (NBSC, 2008a). Formerly, tourism played a small role in the provincial economy. In 1998, tourism contributed 5.9% of the provincial GDP. But in the last decade, the provincial domestic tourist market experienced robust growth.

Domestic tourist arrivals increased from 50.58 million in 1998 to 170 million in 2007. Gross tourism receipts increased from 3.4 billion US dollars in 1998 to 18.0 billion US dollars in 2007, which accounted for 8.9% of the provincial GDP (NBSC, 2008a; NBSC Henan Investigation Group, 2008c). Tourism has started to play a much more important role in the provincial economy.

In August 2006, the provincial government adopted the Outlines of the '11<sup>th</sup> Five Years' Henan Tourism Industry Development Plan (PGHP, 2006b), which decided to boost Henan tourism development and to develop the tourism industry into a strategic pillar industry of the provincial economy. This plan focuses on elements of the tourism industry like tourism products, markets, services and extended industries. Only in the section of tourism products is the development of "eco-agriculture sightseeing tourism" mentioned. The function of tourism in rural poverty alleviation is not discussed in the plan. One month earlier, the provincial government issued the "Advices to the People's Government of Henan Province Regarding Furthering Funiu Mountain Ecotourism Development". This was the first large-scale tourism development project at the provincial level covering five prefecture-level cities and 15 counties. Similarly, the advice emphasises the key elements of the tourism industry. The one related to local rural people is to extend the tourism industry chain and facilitate the income growth of mountainous rural people through developing handicrafts, local specialities and tourism souvenirs (PGHP, 2006a). In early August 2006, the Funiu Mountain Ecotourism Development workshop was held. The governor of Henan province addressed the workshop regarding Funiu Mountain ecotourism at the conference in which the role of tourism in poverty alleviation and regional rural development was mentioned briefly (HPTA, 2006). But still, the main emphasis of the speech was on the tourism industry. The rural poor and local community commanded little attention.

Tourism's role in rural development and rural poverty alleviation has only been gradually recognised. The government has taken tourism as an important approach to boost the rural economy, especially in poor mountainous rural areas that are rich in tourism resources but very often lacking in agricultural resources. However, from government policies, regulations, and documents related to tourism, it can be seen that approaches to tourism development are based on tourism theories, like tourism policies, resources, markets and services. Local communities, especially the local rural poor, are

seldom focused on. Tourism is viewed as an industry rather than being seen from a rural livelihood perspective.

### ***6.4.3 A tourism context of Luoyang***

Luoyang is located in the west of Henan province, with an area of 15,208 km<sup>2</sup>. Topographically, mountains predominate in the region (45.51%), followed by hills (40.73%) and plains (13.8%). Administratively, Luoyang is divided into 15 county-level districts. At the end of 2007, Luoyang had a population of 6.5 million among which 4.8 million live in rural areas. The annual per capita net income of rural households in the year was 4038 Yuan, with the economy mainly relying on secondary industry. The primary, secondary and tertiary industries respectively contributed to the whole region's GDP by 3.2%, 72.4%, and 24.4% (PGLC, 2008).

Rural poverty has long been a big challenge in Luoyang region. At the end of 2007, 0.31 million rural people were poor in accordance with the national poverty line. It is estimated that the number of rural poor would be 1.2 million using the international standard. Among the 15 county-level divisions in Luoyang, five are titled "National Targeted Counties for Poverty Alleviation" and one titled "Provincial Targeted Counties for Poverty Alleviation". All six counties are mountainous rural areas where every person owns only 0.04 hectare of cropland on average. The local rural economy used to rely on grain crops on sloping cropland and extraction from local natural resources like timber and mining. With the implementation of NFCP and the Grain for Green programme, sloping and degraded cropland were no longer allowed to be cultivated, and tree-cutting was restricted. Livelihood alternatives have been looked for to maintain a lasting family income stream. Being rich in tourism resources, tourism in Luoyang has developed swiftly in recent years and was considered an effective tool for increasing rural income, and one to be eagerly promoted.

Luoyang city was the capital city of 13 dynasties in China's history. Many cultural relics and heritages are scattered in and around the city. The well-known rock-cut Longmen Grotto, two kilometers west of Luoyang city, is one world cultural heritage site. Luoyang city was bestowed the titles of "China Excellent Tourist City" in 2001 and "National Garden City" in 2002. Luoyang region is also rich in mountains, rivers, waterfalls, lakes and other natural tourist attractions. Some areas are titled "National

Forest Park” and “National Nature Reserve”. The annual Luoyang Chinese Peony Festival has been held for 25 years and has become an important tourist attraction. In 2007, Luoyang received 0.26 million international tourists and 39.74 million domestic tourists. Gross tourism receipts reached 19.7 billion Yuan which accounted for 12.2% of the year’s GDP, an increase of nearly fourfold since 2000 (Luoyang Statistic Bureau, 2000, 2007). Tourism played an important role in the regional economy and the regional government adopted tourism as a strategic choice to strengthen Luoyang’s development. From government documents and archives, clearly, tourism’s role is mostly recognised for its contribution to the regional economy.

In spite of the rapid tourism development, the Luoyang government did not particularly focus on rural poverty alleviation through tourism. It is believed that the rural poor will naturally benefit from tourism development through the trickle-down process and the tourism multiplier effect. Rural tourism in the mountain rural areas has developed rapidly since 2000 and greatly boosted the local rural economy. Especially in the poorer areas, many rural poor took off the tag of “poor” through tourism. Luanchuan is a typical county where tourism greatly helped rural poverty alleviation. Its experience is nationally promoted and is called the “Luanchuan Mode”.

#### ***6.4.4 A tourism context of Luanchuan***

Luanchuan county is located 120 km west of Luoyang city and has an area of 2,477 km<sup>2</sup>. It governs 14 towns and 209 administrative villages, with a population of 0.32 million. Almost all areas of Luanchuan are surrounded by the Funiu mountain ranges. Each local person cultivates 0.039 hectare of arable land on average. Luanchuan is rich in mines including for molybdenum, tungsten, gold, lead, zinc and iron. The molybdenum reserves rank third in the world and first in Asia. The tungsten reserves rank second in China (Zhang, 2006). Local revenue has traditionally and mainly relied on mining. In addition, 83.3% of Luanchuan is covered by forest. Forest resources are abundant, and the healthy ecosystem nourishes many tourist attractions like rivers, streams, waterfalls, springs, deep pools, and fauna and flora. Luanchuan is also well-known for the production of a diverse range of Chinese herbs.

The local rural people have traditionally survived on agriculture. Because of limited arable land, Luanchuan people had a harsh life. In 1985, Luanchuan was tagged one of

the “National Targeted Counties for Poverty Alleviation”. In order to raise rural income, the local government made efforts through adjusting agricultural structures, developing small town/village enterprises, encouraging labour migration, and exploring tourism opportunities (Zhang, 2006). With the nationwide tourism development, local government recognised the huge potential of tourism in boosting the local economy and adopted “Decisions regarding Speeding up Tourism Industry Development” in August 2000 (Mutong Yang, 2005). Meanwhile, the county government adjusted the county’s developmental strategy as “Booming the County through Industrial Mining, Strengthening the County through Tourism and Richening the County through Local Specialty” (BSR). Since the BSR strategy, the county government has invested 320 million Yuan in tourism infrastructures and marketing which greatly stimulated tourism growth. At the end of 2006, Luanchuan county received 3.19 million tourists and earned tourism receipts of 950 million Yuan which are respectively four times and 19 times more than in 2000. Tourism’s contribution to the county’s GDP increased from 2 percent in 2000 to 23.9 percent in 2006.

Luanchuan’s tourism has been a great success. At the end of 2006, the county had developed 15 high standard scenic areas, 23 recreational projects, 12 tourism souvenir markets, 12 tourism agencies, 325 tourism guides, and around 190 hotels with 35,000 beds. Its tourism development was summarised by CNTA as “Luanchuan Mode” and was promoted nationally. The “Luanchuan Mode” is characterised as “leader-initiation, government-direction, all-party-participation, and market-running” (Mutong Yang, 2005). Tourism development has driven the overall development of the county. Because of tourism, Luanchuan became nationally well-known from an unknown little mountainous county, which helped the county attract much external investment and indirectly contributed to the promotion of the selling of the local mine and other industrial and agricultural products. Local rural people have also greatly benefited from tourism development. By 2006, tourism had created 21,000 direct and 90,000 indirect employment opportunities which accounts for one-third of the county’s overall population. The annual per capita net income of rural households increased to 2399 Yuan in 2005 from 1625 Yuan in 1999. However, tourism development did not have rural poverty alleviation and development as its original intention. Compared with conventional rural livelihoods, tourism showed many comparative advantages in raising rural income. Besides people in tourism areas, people in other places also benefited from

tourism through the tourism multiplier effects. Based on this understanding, the local government encouraged the local rural people to get more involved in tourism and provided financial and policy support to those people. It is from within this context that Guanxing, Yangzigou and Chongdugou have been chosen from those villages involved in tourism as the research units for this study.

Overall in recent years, tourism has had unprecedented growth in rural areas of China. However, not every rural place can use tourism as a developmental tool. Only those areas with tourism resources have potential to be developed into a tourist destination. As the director of Luanchuan Tourism Bureau commented when I was interviewing him on 17<sup>th</sup> October 2006:

*“Being rural areas, it is unusual to totally rely on tourism. After all, only areas with tourism resources have the possibility (to develop tourism). Areas without tourism resources cannot develop tourism. So tourism is not a panacea to resolve all rural issues. It is an important approach to rural poverty alleviation and rural development only in part of rural areas, especially the areas rich in tourism resources. It should be understood in this way”.*

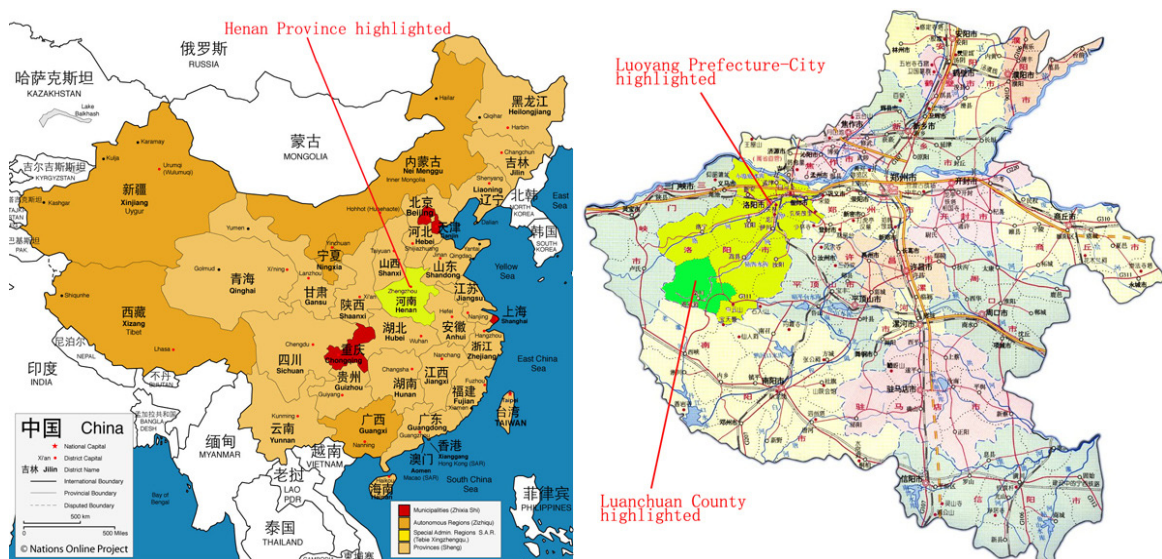
For the areas taking tourism as their main livelihood choices, tourism did not initially focus on rural development and poverty alleviation. Rather, tourism is regarded as an effective developmental tool to contribute to local revenue to be developed and promoted by the governments. However, tourism growth generated many positive consequences for reducing rural poverty and replacing/complementing the traditional extractive livelihood activities. As a “by-product” of tourism development, tourism’s function and potential in rural development and poverty alleviation were gradually recognised. The governments started to promote tourism as a development tool for rural development especially in poor mountainous rural areas. As the dean of the Director’s Office of Luoyang Tourism Bureau stated during the interview on 13<sup>th</sup> October 2006:

*“Although (Luanchuan) is not the poor frontier, at least it is a poor area. It is poor because of some factors. One of major factors is the bad accessibility which restricted local economic development. In an objective sense, tourism in these two years, however, has pulled and driven the county’s economic development and alleviated rural poverty ... (poverty alleviation) at first was unintentional. But after tourism, (local people) tasted sugarplum (of developing tourism). Now mountainous counties are very active (in tourism development). It is not because we ask them to do this. Rather they take the initiative (to develop tourism)”.*

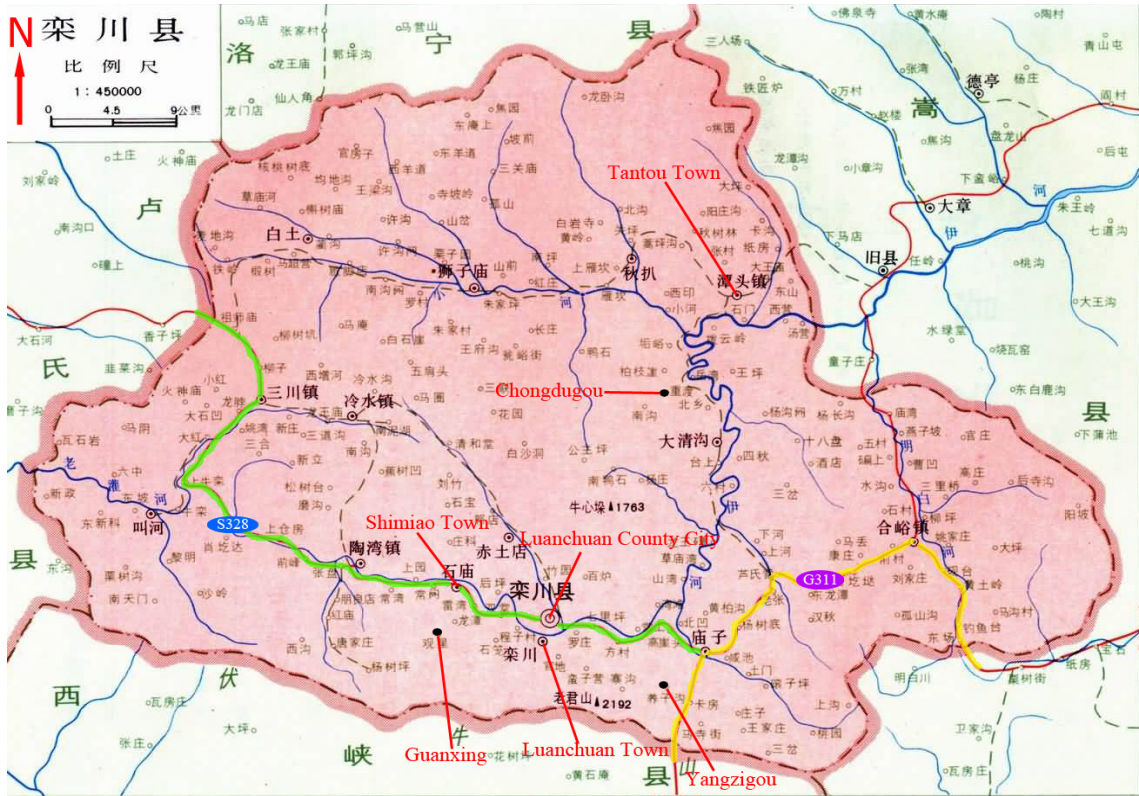
The governments played a key role in initiating and directing tourism development in China. Although tourism's potential for alleviating the plight of the rural poor is increasingly recognised, the governments do not use the rural communities, especially the rural poor, as the key players in tourism. Government policies have favoured local revenue, infrastructure, marketing, and external investors. Philosophy about tourism development in rural areas viewed tourism as an economic industry. Thinking of tourism from the perspective of rural livelihoods has not been considered by the governments.

## 6.5 Geographical profile of the case study sites

Three rural tourism villages, Guanxing, Yangzigou, and Chongdugou, were selected as the case study sites. Administratively, the three villages belong to Luanchuan county, Luoyang prefecture-city, Henan province, China (see Maps 1 & 2). The state highway G311 and provincial highway S328 cross Luanchuan county (see Map 2). Guanxing village is located 10 km southwest of Luanchuan county city and four km south of the provincial highway S328. Yangzigou village is five km south of the S328 and eight km south-east from Luanchuan county city. Among the three case study sites, Chongdugou is the farthest village away from Luanchuan county city, 20 km north-east. The nearest main road to Chongdugou is state highway G311, 10 km south of the village (see Map 2). This section gives a geographical picture of the three case study sites. Examination of tourism livelihoods in the three villages will be carried out in the next four chapters.



**Map 1. Map of China and Henan Province** (*source: adapted from [http://www.nationsonline.org/maps/china\\_provinces\\_map1200.jpg](http://www.nationsonline.org/maps/china_provinces_map1200.jpg) & <http://tw.18dao.net/images/1/1f/全國地圖-河南.jpg>*)



**Map 2. Map of Luanchuan County** (source: adapted from <http://www2.zzu.edu.cn/habook/maps.asp?town=栾川>)

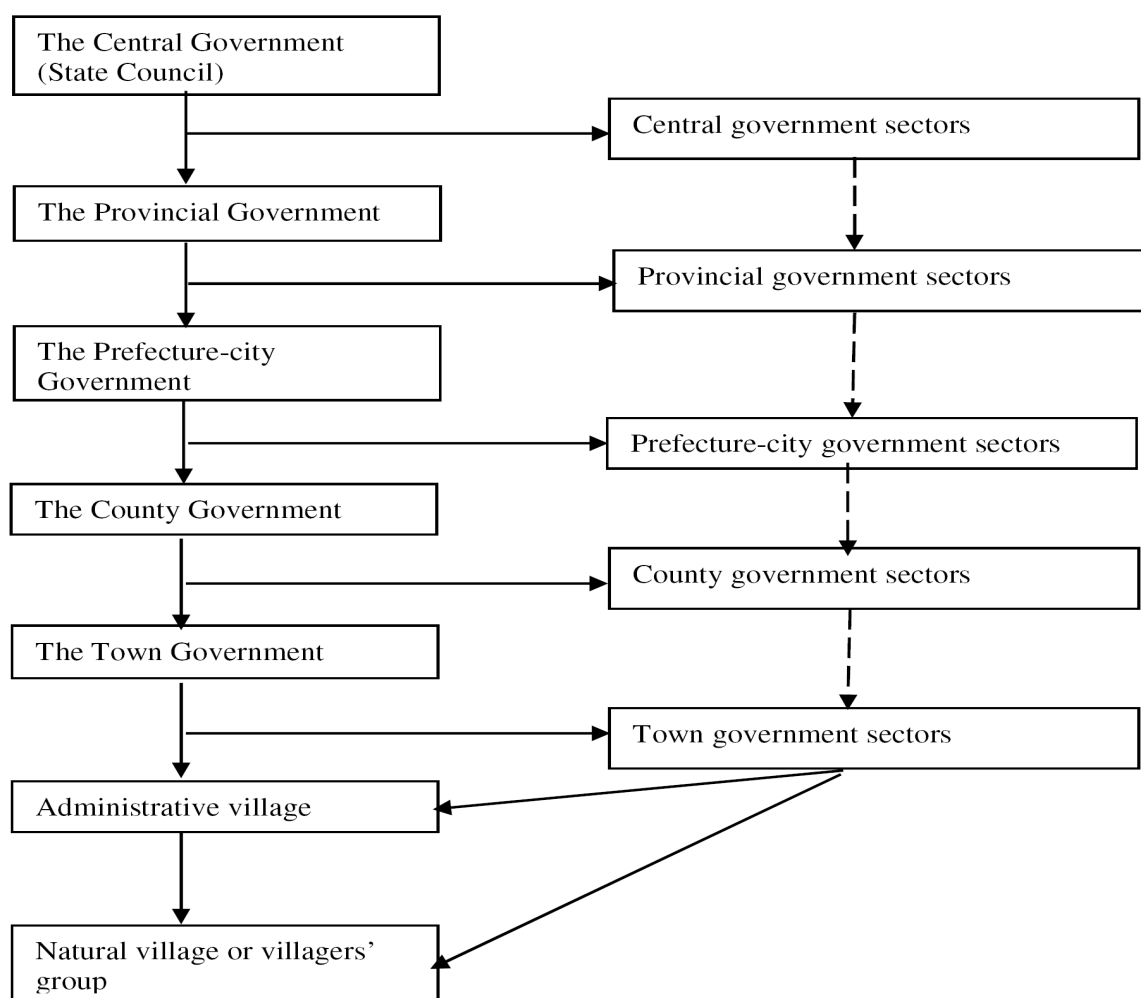
## 6.6 Vertical institutional arrangements in Chinese tourism livelihood systems

Tourism development changed the institutional arrangements in China. Changes include vertical and horizontal changes. As discussed in Chapter 4, vertical institutional arrangements mainly refer to the hierarchical political structures and related institutions. The vertical changes are discussed in this section.

### 6.6.1 Changes in the political structure of China

According to the Constitution of China (NPCC, 2004), “the country is divided into provinces, autonomous regions, and municipalities directly under the Central Government; provinces and autonomous regions are divided into autonomous prefectures, counties, autonomous counties, and cities; and counties and autonomous counties are divided into townships, nationality townships, and towns”. Therefore, there is supposed to be four administrative levels in China, namely state, province, county, and township

levels. However in reality, there is another administrative level between the provincial and county levels – the prefecture-city level. Thus, there are actually five administrative levels (see Figure 9). Governments at each level are subject to a higher level in jurisdiction. China is a socialist country and follows a hierarchical political structure. In Figure 9, the solid arrow means that there is a direct subordinate relationship between two government levels. The dashed arrow represents an indirect subordinate relationship. The administrative and natural village at the bottom of the power hierarchy, however, is not considered an administrative level. Realistically, the local level in China normally means the county level and below.



**Figure 9. The political structures of China (Source: adapted from Ho et al., 2004, p. viii)**

In a primary industry like agriculture, farming is household-based and the rural economy is mainly a subsistence economy. Few regions or districts have agriculture as the pillar or main industry. Relations between rural households and governments are relatively simple. Tourism, as discussed earlier, is different and is increasingly adopted as

the predominant or pillar industry in many regions. Governments at various levels showed great interest in tourism and special tourism-related government departments were set up to develop tourism over the last three decades. Government tourism sectors are generally responsible for making tourism-related standards, policies, rules and regulations. They oversee and supervise tourism operators and guide tourism development (including tourism planning, market promotion, and key tourism product development). The government tourism sector at a lower level needs to implement and comply with all policies and rules made by the superior/higher tourism sector. With tourism growth, a series of tourism policies, standards, rules and regulations were made and issued by government tourism sectors at different administrative levels, which strengthened communications and tied up relations between the local, regional and central levels.

#### ***6.6.2 Influence of vertical institutional arrangement changes on rural livelihoods***

Table 5 shows the main tourism policies, laws, rules, and regulations made at every administrative level in China. Examining the rules and regulations made by the CNTA, most concern tourism resources, travel agencies, tourism hospitality, tour guides, tourism planning, and urban tourism. Only one government document regarding rural tourism exists – the “Directive Advices on Boosting China Rural Tourism Development” issued by CNTA in 2006, which calls for promoting rural tourism in response to the movement of “New Socialist Countryside Construction”. This document asks for more concentration on rural infrastructure and financial support in rural tourism development. At the provincial level, Henan Provincial Tourism Administration (HPTA) has a similar focus and emphasis to CNTA. However, because of rapid rural tourism development, HPTA adopted the local standard of “Star Rating and Appraisal for Family Hotel in Henan Province” in March 2008 which has a direct influence on the rural families running family hotels. At the prefecture-city level, Luoyang Tourism Bureau made no standards, rules or regulations. Rather, it just issued some regulative and directive documents regarding tourism development. Similar to Luoyang Tourism Bureau, Luanchuan Tourism Bureau at the county level focuses more on supervision of the local tourism development instead of making rules. It is a very new government department and was only set up in 2000.

**Table 5. Main tourism policies, rules and regulations at each Chinese governance level**

Levels	Government sectors	Policies, laws, rules, and regulations	Years
National	State Council	Interim regulations on the Administration of Tourist Agencies	May 1985
		Interim Regulations on the Administration of Guide Personnel	November 1987
		Resolution about Accelerating the Tertiary Industry Development	June 1992
	CNTA	National Tourism Development Plan: 1985-2000	December 1985
		Implementation Procedure of the Interim Regulations on the Administration of Tourist Agencies	March 1988
		Star-rating Standards for Tourist Hotels	August 1988
		Directive Advices on Boosting China Rural Tourism Development	September 2006
Provincial	PGHP	Outlines of the '11 <sup>th</sup> Five Years' Henan Tourism Industry Development Plan	August 2006
		Advices to the People's Government of Henan Province Regarding Furthering Funiu Mountain Ecotourism Development	July 2006
	HPTA	Regulations on Tourism Administration of Henan Province	July 1996
		Star Rating and Appraisal for Family Hotel in Henan Province	March 2008
Prefecture-city	PGLC	Advices to CPC Luoyang Committee & PGLC regarding Furthering Tourism Industry Development	July 2007
	Luoyang Tourism Bureau	Regulations on Luoyang Tourism Administration	June 2000
County	The People's Government of Luanchuan County	Advices to CPC Luanchuan Committee & the People's Government of Luanchuan County regarding Tourism Work 2004	March 2004
		Advices to CPC Luanchuan Committee & the People's Government of Luanchuan County regarding Tourism Work 2005	March 2005
		Advices to CPC Luanchuan Committee & the People's Government of Luanchuan County regarding Tourism Work 2006	March 2006
		Advices to CPC Luanchuan Committee & the People's Government of Luanchuan County regarding Tourism Work 2007	March 2007

Although government tourism sectors at a higher hierarchical level can order and direct those at a lower hierarchical level, the influence is very weak. As the deputy director of HPTA said during the interview on 9<sup>th</sup> October 2006,

*Being the government tourism sector at the provincial level, we just do some symbolic regulation work. (Tourism development) is mainly led by the local governments. We do not have a mechanism to regulate the local, rather, give some guidelines in a broader sense. In order to pursue better performance during their tour of duty, the local government leaders very often devastatingly exploit tourism (resources). But we do not have a mechanism to restrict them, as funds are mostly controlled by the local (governments).*

The dean of the Director's Office of Luoyang Tourism Bureau also expressed a similar opinion in his interview:

*In (rural) poverty alleviation, Luoyang Tourism Bureau mainly acts as an instructor's role through tourism planning ... In the case of rural families, it is too local, we did not make many policies ... We did not have restrictions on county tourism bureaus (work). We mainly give some planning guidelines.*

Therefore, local government tourism sectors have a substantial influence on the local rural livelihoods. However, tourism is a multi-sector industry. The government tourism sectors at the local level do not have much power to coordinate other government sectors. Instead, the local governments are very often the main body for developing tourism. The tourism sectors, however, function as advisor and implementer of tourism policies. Since 2000, the People's Government of Luanchuan County has annually convened a tourism working conference to deploy the whole year's tourism work early every year. The conferences concerned tourism investment, market promotion, family hotel construction and running, and environmental issues. Decisions made at the conference usually had a decisive influence on local rural people's access to livelihood assets and their livelihood outcomes.

In sum, tourism development changed the vertical institutional arrangements. The changes facilitated the interaction and relationship between the micro (household), the meso (destination and county) and the macro (regional and central) levels. Institutional arrangements at each level can impact on local people's livelihoods. But institutional trade-off normally happens at the county level. The government bodies at the local level play a more direct role in influencing local rural livelihoods.

## **6.7 Chapter summary**

This chapter examined the tourism context of China, Henan province, Luoyang prefecture-city, and Luanchuan county. Rural development was examined simultaneously to help the reader better understand the particular Chinese context and how tourism is viewed at different levels in China. Land-based primary industry has traditionally been the predominant rural livelihood but can only support a subsistence economy and helps little to maintain a continuous income growth rate for Chinese rural families. Instead, tourism has been shown to have high potential in rural development and poverty alleviation at every administrative level. However, the governments have not particularly focused on this point. Rather, tourism's contribution to rural poverty alleviation was seen as a byproduct which naturally happens along with tourism development, although rural

tourism has grown rapidly since the late 1990s and has played a significant role in Chinese rural poverty alleviation.

Tourism's influence on vertical institutional arrangements was also described in this chapter. Tourism has changed the political structures, their relations, and the formal policies and rules, which in turn have affected local rural tourism and rural livelihoods. In the Chinese context, governments at higher hierarchical national, provincial and prefecture-city levels generally have more directive influence on local tourism development. Government bodies at the local county level play a more important and substantial role in changing local rural livelihoods. The next four chapters will explore tourism's influence on rural livelihoods at the village level by reporting on the empirical results of the case studies, starting with the case study of Guanxing in Chapter 7.

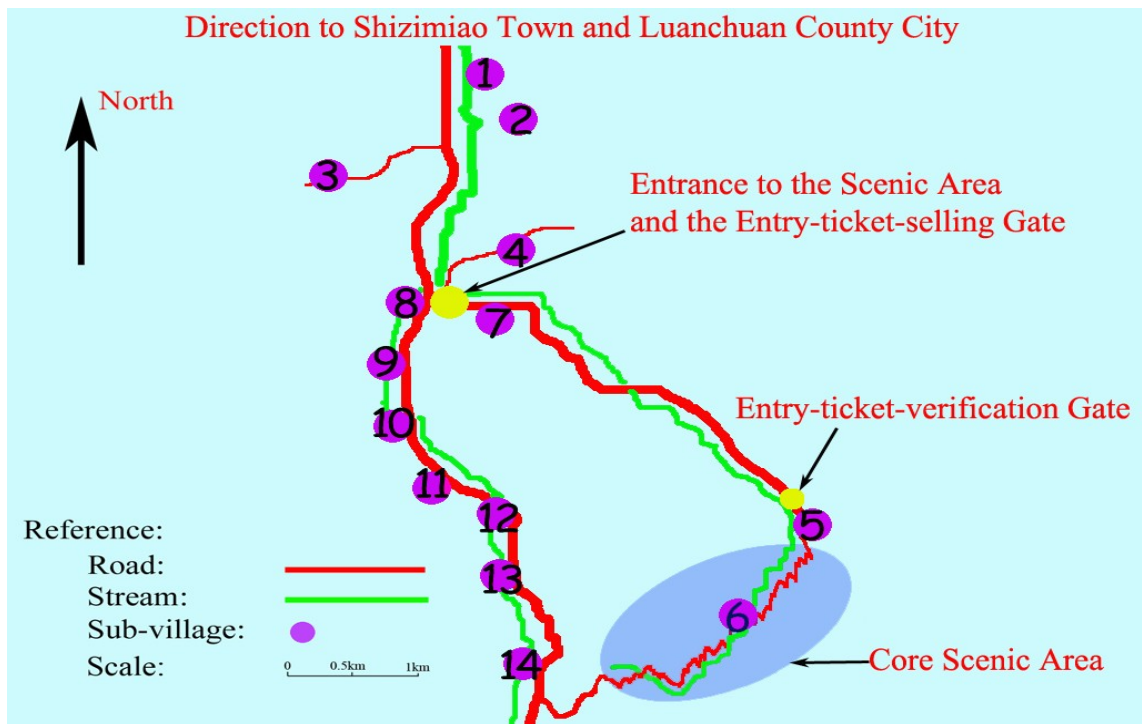
# **CHAPTER 7 CASE STUDY 1 – TESTING THE SLFT IN THE ‘INVOLVEMENT’ STAGE OF THE TALC**

## **7.1 Introduction**

The last chapter examined the broad Chinese tourism context and vertical institutional arrangements. Consistent with the research goal and objectives, in this chapter and the next two chapters, the research results of the applicability of the SLFT at the village level are presented. It is hypothesised that the SLFT works at various stages in the Butler TALC. Guanxing (involvement stage), Yangzigou (development stage), and Chongdugou (rejuvenation stage), three villages in central China, serve this research purpose and are analysed respectively in Chapters 7, 8, and 9. The applicability of the SLFT is examined with its key elements of tourism contexts, livelihood activities, livelihood assets, horizontal institutional arrangements, vulnerability contexts, and livelihood outcomes. Measurement of the SLFT key elements is carried out via the SLFT indicators adopted in the research method chapter. An overall summary of the three case studies is presented at the end of Chapter 9.

## **7.2 Case study 1: Guanxing**

Guanxing contains 482 families and 2018 residents. It is divided into 14 sub-villages and is administratively subordinated to Shimiao township. Two streams flow through, and are confluent at the centre of the village. The valley where one stream flows through forms the core scenic area – Peach Mountain Scenic Area which includes attractions of waterfalls, deep pools, stones and willows, and cliffs (see Map 3).



**Map 3. Map of Guanxing village**

For exploring the endogenous relations between tourism and rural livelihoods in Guanxing village, 15 local villagers (13 in the first round and two in the second round) were interviewed. Among the interviewees, 12 were more than 40 years old, and the other three were between 25 and 39. In terms of education level, four interviewees were illiterate, with the five of primary school level and six of high school level. Twelve interviewees were male. After the local community interview, the general manager of the tourism development company in the village was also interviewed. Besides the in-depth interviews, questionnaire-based household surveys were performed. Among the 165 respondents, nearly 60% were male with the majority of respondents aged 25 to 59 (see Table 6). In rural areas in China, people normally have a low level of education. In the case of Guanxing village, 89% of respondents have received education under junior high school level. Almost all respondents have been living in the village for more than five years.

The design of the interview and survey questions was guided by the SLFT. Together with participant observation, all questions were employed to examine the interaction and relationship between tourism and local rural livelihoods (see Appendix 2 and 3).

**Table 6. Characteristics of respondents in Guanxing (n=165)**

Profile		Frequency	Percentage (%)
Gender	Female	68	41.21
	Male	97	58.79
Age	15-24	10	6.06
	25-39	57	34.55
	40-59	87	52.73
	60 and over	11	6.67
Education	Illiterate	11	6.67
	Primary school	62	37.58
	Junior high school	81	49.09
	Senior high school	11	6.67
	University	0	0.00
Period of residence	Less than 5 years	1	0.61
	5 or more years	164	99.39

### 7.3 A tourism context of Guanxing

The opportunity for developing tourism at Guanxing began to be explored in 2000 when two investors from Luanchuan county city appreciated the scenery of Guanxing and decided to jointly explore tourism opportunities of the village. They invested two million Yuan on the road construction from sub-village 7 to 5 (see Map 3), formerly a narrow meandering footpath. However, a flood in the summer of 2001 changed the course of tourism development. The flood washed away the road and a bridge constructed in the last year and devastated many tourist attractions. Meanwhile, the flood greatly reduced the enthusiasm of the investors. They then sold the tourism exploitation rights to an investor from Luoyang city, a property agent with more financial resources, in November 2003, under the mediation of the Shimiao Township Government.

After the change of developers, the new investor formed a tourism development company (TDC) called “Peach Mountain Scenic Area Management & Administration (PMSAMA)” which is responsible for all issues related to tourism development, for example infrastructure construction, negotiation with local government and villagers, tourist marketing and so on. The company has about 20 staff members in the peak tourism season and around 10 in the off-peak tourism season. The company employs some cleaning staff from Guanxing village but all management staff were from outside. In the next three years, PMSAMA invested 12 million Yuan on the construction of the road, bridge and other infrastructure in the scenic area. An entry-ticket-selling gate was built on the road between sub-villages 8 and 7 to control tourists’ access to the scenic area (see

Plate 1). Meanwhile, an entry-ticket-verification gate was placed at the entrance to sub-village 5 to assure no free-ride tourists entered the scenic area. As part of the tourist attractions, sub-villages 7, 5 and 6, where 75 households and 280 villagers live, were enclosed in the scenic area (see Map 3).



**Plate 1. Entry-ticket-selling gate (left) and entry-ticket-verification gate (right) in Guanxing tourism**

Local households, according to the agreement between the local people and PMSAMA, were encouraged to participate in tourism by providing accommodation and boarding. The investor mainly makes benefits by charging tourist entry fees. By the end of 2006, there were 10 families that run family-hotels by upgrading and using spare rooms in their private houses or by building extensions to their houses to create additional units. Seven family hotels were in the area between the entry-ticket-selling gate and the entry-ticket-verification gate. Tourists can have all tourism services and facilities in the scenic area, which is similar in character to the so-called “enclave tourism” which operates in other countries (see Freitag, 1994; Hernandez, Cohen, & Garcia, 1996). However, in this case, most services were provided by local people rather than by the tourism operator who usually provides inclusive services in an enclave tourism destination.

After three years’ preparation, Guanxing Tourism officially opened on 1<sup>st</sup> May 2006. However, due to incomplete construction, insufficient market promotion, deficient services provided by local people and other factors, according to the general manager of PMSAMA, Guanxing tourism did not receive as many tourists as they expected. Because of the relatively low standard of accommodation and services, PMSAMA did not target international tourists. Only 2000 tourists visited in 2006, all of them domestic tourists. But, an increasing number of tourists began visiting Guanxing scenic area. Governments,

investors and local people were increasingly getting involved in tourism. Consistent with Butler's TALC, Guanxing tourism is currently at the stage of "involvement".

#### 7.4 Local livelihood activities

Before tourism, local people relied on diverse livelihood activities including farm activities (grain and economic crop cultivation as shown in Plate 2), non-farm businesses (family businesses like dairy shop and harvest-contractor), remittances and others (e.g., non-farm employment like school teachers, cleaners and cooks). None of these livelihood activities were tourism-related. Since the development of tourism, some households became involved in tourism through providing tourism accommodation and services. Rental income has become very significant to some families. And, part of some farm activities (e.g., vegetables planted for tourist use) and non-farm businesses (e.g., dairy shop targeting tourists) became tourism-related. The main economic crops like vegetable, fruits, mushrooms and herbs were planted to meet tourists' requirements. Some local families run family hotels to provide tourist lodging and boarding. A number of local villagers were employed by the TDC and some family hotels to do labour work (e.g., cleaning, cooking).



*Top: Bamboo-cutting (left) and persimmon-harvesting (right).  
Bottom: Maize-growing (left) and mushroom-growing (right).*

**Plate 2: Some farm livelihood activities in Guanxing**

Due to the short history of tourism development, the tourism impact on local livelihood is not very apparent. As shown in Table 7, farming is still one of the main family livelihood activities while not contributing much to the overall family income. One hundred and twenty-four out of 165 respondents considered labour migration a major family livelihood strategy. More than 80% of respondents answered that remittances account for over 60% of overall family income. Non-farm business is also an important family livelihood. Among 57 respondents, 61.40 percent stated that more than 60% of family income comes from non-farm business. Tourism-related income like rental and other income, however, did not contribute to a big share of family income (see Table 7).

**Table 7. Percent of total family income contributed by each livelihood activity in Guanxing (n=165)**

Percent of total income	Under 10%	10.01-30%	30.01-60%	60.01% and over
Income activities				
Farm (n=154)	55.84	33.12	7.79	3.25
Non-farm business (n=57)	14.04	8.77	15.79	61.40
Remittances (n=124)	2.42	5.65	10.48	81.45
Rental income (n=4)	25.00	75.00	0.00	0.00
Others (n=6)	33.33	0.00	33.33	33.33

## 7.5 Local livelihood assets

Livelihood assets were examined through secondary data, interviews, observation, and questionnaire-based surveys under the guidelines of the SLFT indicators.

### 7.5.1 Human capital

The evaluation of human capital was based on the ability to labour, education level, literacy, life expectancy, adult mortality rate (age 15-64), and expenditure on health care and education, and information. On average, the family size of Guanxing was 4.19, with the amount of family labour of 1.29 per family. Labour in this research context was defined as people who have the ability to work on farming or other livelihoods. As shown in the respondent profile in Table 6, nearly seven percent of local people were illiterate. Although as many as 87% of local people had received education, all were at a low education level of primary and junior high school. There were no exact data on local life expectancy and adult mortality rate. According to the interviewees, it is estimated that life expectancy of Guanxing was around 70. Few adults died of illness and malnutrition, and,

none or very few adults died of accidents each year.

In the questionnaire-based survey, one question required the listing of three items on which the family spent most money last year. About one-third of respondents believed that they spent money mostly on health and education (see Table 8). However, expenditure on health did not mean that local people actively spend money to pursue better health. Rather, they have to pay the cost for recovering from illness as there is little public medical support in rural areas in China. Family is an important social welfare. Once a family member gets sick, the family has to support the patient using the whole family's financial resources. Education expenditure was normally spent on children's school study. Education means much to a family in China. A family very often supports children to study as far as they can. However, prior to tourism Guanxing people invested little in professional skill training for a better livelihood. Since tourism, some families involved in tourism businesses have budgeted to learn service skills (e.g., cooking and cleaning) to accommodate tourists.

**Table 8. Items a family spent most money on in Guanxing in 2005 (n=165)**

<b>Items</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Daily expenditure	150	90.91
Health	53	32.12
Education	46	27.88
Child-raising	18	10.91
House-building	10	6.06
Farm expenditure	9	5.45
Wedding	4	2.42
Buying motorbike	1	0.61
Debt-repayment	1	0.61
Gifts	1	0.61
House appliances	1	0.61
To support aged parents	1	0.61

### **7.5.2 Social capital**

Social capital was measured through criminality, women's status, and social resources for a better livelihood. Guanxing is a relatively geographically-isolated mountainous village with a rustic folklore. People were very hospitable and crime seldom happened. After tourism started, there emerged alcoholism and vandalism which may have some latent negative influence on local people's tourism-related livelihoods. As exemplified by the head of sub-village 5, a tourist got drunk and had a conflict with another group of tourists during the "May 1" holiday in 2006. However, people who live

in a more isolated area did not feel any social changes brought by tourism. As one local villager stated:

*(Tourism) did not have any impact on our place. No fight, no alcoholism, there is no difference in comparison with before.*

Women normally play the role of housewives in a family. They are responsible for raising children, looking after the aged and doing housework. Men usually make money to support the whole family financially. They are the master of a household and hold the power of making decisions on important issues in the family. Job opportunities generated by tourism were normally service-related. In the case of Guanxing, many tourism-related jobs were taken by women. In the households running family-hotels, women have started to play an important role in running their family business. As one family-hotel owner said:

*During 'May 1' Holiday this year, there were not lots of tourists surging into our scenic area because of the bad promotion done by the TDC. My wife decided to print some promotional materials by ourselves and disseminate them at the car park of the Cockscomb Cave Scenic Spot (a popular tourist destination five km east of Guanxing). She did this and it worked.*

In this sense, tourism has contributed to the change of women's status. However, this change has not happened widely owing to the short period of tourism development.

In terms of social resources, trust and local social networks are significant resources which most of local families count on while trying to pursue a better livelihood. Inter-household-help is a tradition in Guanxing village which is based on mutual trust. Kin are the most important social network and then friends and neighbours. This network plays a substantial role for the local people who were in need of assistance for their livelihoods. In an administrative village in China, the administrative body is called the "Village Committee", elected by residents in the village and administering all issues happened in the village. The Guanxing Village Committee holds the power to re-allot the land according to variation in the village population and to implement the superior government's policies and orders to adjust local industrial structure. It has a powerful influence on local household livelihoods. And, local people very often seek assistance from the village committee when they encounter livelihood difficulties. It is another important social network. Farming in the village is small-scale and family-based. There are no co-operatives, community associations and alignments.

The notion of trust and the importance of kinship have changed with local economic development. Tourism has contributed to this change. As a 72 year's old villager in sub-village 6 said:

*Like the house built in 1975 where we are living now, when I needed two or three persons (to help to construct the house), normally ten-odd persons came for free. Each could help for several days. But now... people can only give you one day to help, at most two days. Now everyone is focusing on money. (People come to help for rewards and) payment is so high and one day's work costs 40 or 50 Yuan. I felt that people became more apathetic than years before. We cannot attribute all this to tourism. It is also a society trend.*

### **7.5.3 Economic capital**

Economic capital is probably the most visible and touchable asset to local people especially to the local poor. It was examined through income, employment, infrastructure, shelter and buildings, and tools and vehicles for a better livelihood.

As discussed in the section on livelihood strategies above, the income portfolio of Guanxing includes farming, non-farm business, remittances, rent, and other incomes. Agriculture is the most basic and popular household livelihood but does not contribute much to overall family income. Rather, non-farm business and remittances accounted for the major share of family income (see Table 7). In 2006, the annual per capita cash income of a rural household was 1597 Yuan, a 60 percent increase over 2002. However, about eight percent of households were extremely poor and they had an annual per capita net income under 500 Yuan. The percentage of households that were poor was 61.59 and they fell into the income range of 501 to 1500 Yuan (see Table 9).

**Table 9. Per capita cash income of Guanxing in 2006 (n=164)**

Income breakdown (Yuan)	0-500	501-1500	1501-3500	3501 and over
Frequency (%)	7.93	61.59	24.39	6.10

As shown in Table 7, remittances from labour migration are the chief income resource of most households in Guanxing. According to the head of Guanxing Village Committee, the majority of the labouring migratory workers worked in the construction industry and some were employed in manufacturing factories. Work in the construction industry is usually project-based and short-term. When a project finishes, people have to seek new work opportunities. In addition, this type of work is very often physical and

working conditions harsh. People were paid a low daily rate about 20-40 Yuan. Since tourism began, some employment opportunities have been created. The TDC contracted some of the road construction work to local people and employed 2-10 local villagers to do cleaning work year-round after the official opening of tourism. Ten families have built new houses or upgraded old houses to accommodate tourists. During peak seasons, these family hotels normally need to hire 1-5 people either from Guanxing or from nearby villages.

**Table 10. House types in Guanxing (n=165)**

Single-storey clay house (%)	Single-storey brick house (%)	Two-storey building (%)	Three-storey more building (%)	Others (%)
62.42	29.70	7.88	0.00	0.00

Houses were important properties to all families and were also the most significant indication of the families' richness. Traditionally, when people plan a marriage, a new house owned by the male party is a prerequisite required by the female party. Owning a decent house means much to local people. In Guanxing, nearly two-thirds of families live in single-storey clay houses and about 30 percent live in single-storey brick houses (Table 10). In spite of the importance, houses, however, were only used for living purposes. Local people never used their houses for a livelihood until tourism began, and then houses became an important income resource for the people who run family hotels. These families provided basic accommodation for hosting tourists and targeted the economy market (see Plate 3). The daily rate was only 20 Yuan per person including food. By the end of 2006, 10 family hotels were developed, with a capacity of around 200 tourists. As well as earning rental income, these families' living conditions were also improved.



*Top: A new house being built as a family hotel (left). Family Hotel 2 was hosting a group of tourists (right).  
Bottom: The nearly completed construction of a new family hotel (left) and Family Hotel 5 (right).*

### **Plate 3. Family hotels in Guanxing**

Vehicles were the most important livelihood tool in the mountainous Guanxing. The car is a luxury asset to a family. Only 2.42 percent of local families own a car or van, with 4.85 percent owning tricar, 46.67 percent motorbikes, 13.94 percent bicycles, and the remainder nothing. Vehicles were generally for personal uses like carrying goods rather than commercial purposes. With tourism development, some people saw the business opportunity of carrying tourists for economic benefits. They modified or developed their tricars to carry passengers (see Plate 4). By the end of 2006, tourist-carrying had become five families' main income source.



**Plate 4. A tricar owner negotiating a price with tourists in the centre of Guanxing**

The improvement of public infrastructure, especially roads, may be most beneficial to the majority of families in the village. For the sake of developing tourism and attracting investment, the Shizimiao Township government invested 14 million Yuan to widen and seal the road with concrete from Shizimaio town centre to Finiu Mountain Ski Field, passing through Guanxing village. Sub-villages 5, 6 and 7 used to have difficult access. Only one narrow meandering footpath served to connect people in the three sub-villages to the outside world. With the development of tourism, the PMSAMA built an eight-metre-wide and three-km-long concrete road from sub-village 8 to 5 and improved the access from sub-village 5 to 6 by constructing a three-km-long stone-step walk (see Map 3). The road improvement has benefited every family and their livelihoods no matter whether they were involved in tourism or not (see Plate 5). All interviewees mentioned this point. In addition to the road benefit, the TDC spent 30,000 Yuan to resolve the water supply issue for sub-villages 5, 6 and 7. A tap water project was implemented. All 75 households and 280 villagers benefited and no longer had to physically carry water from streams. Since the start of tourism, sanitary conditions had also partially improved. Local people used to litter and pile trash in streets. A clean environment is, however, a prerequisite for tourists. People involved in tourism realised this point and made efforts to better the public sanitation. Besides, the TDC hired people to maintain cleanliness in the scenic area.



*Top: Old footpaths.*

*Bottom: New concrete road (left) and new stone-step walk (right).*

**Plate 5. Improvement of road conditions in Guanxing**

Telecommunication infrastructure was undeveloped in the village. Less than one-third of households in Guanxing had telephones. The others, however, do not have plans to install phones in the near future due to the lack of motivations for livelihood benefits. Those households that intended to or were running family hotels, had all installed telephones after the opening of tourism. Telephones became indispensable for their business. As they are geographically isolated, cellphone signal quality was quite poor in the areas around the village. The TDC has achieved agreements with telecommunication companies to build mobile phone transmitters in the village in the next two years to facilitate cellphone use. Apparently, tourism has contributed to the communication between local people and the outside world and made it easier to obtain information on livelihoods.

#### ***7.5.4 Natural capital***

Natural capital basically refers to the natural resources used for household livelihoods, either in cash income or direct use. In Guanxing village, land is the most important form of natural capital to every family. Each villager has on average 0.025 ha of arable land plus 1.3 ha mountain forest land, and all land belongs to the collectives. Local people only have the right to use rather than own the land. Individuals were not allowed to sublet or transfer the land. Only the collectives (the village committee or the head of a sub-village) have the right to do this on behalf of individuals. The small plot of arable land is generally cultivated for vegetables and crops for direct family use. *Cornus chinensis* (a species of dogwood) used to be widely planted on mountain forest land and was a significant family livelihood. Dried *Cornus* fruit can be used for Chinese medicine and was very expensive in the late 1990s and early 2000s. However, the price of *Cornus* fruit sharply dropped from 200 Yuan to 10 Yuan per kilogram after 2002 and growing *Cornus* became unprofitable. Many *Cornus* trees were cut down and were replaced with chestnuts, walnuts or persimmon. However, growing fruit trees was quite labour intensive, and due to other costs like fertiliser and pesticide, meant people made little profit from it. For a time, growing Chinese mushrooms was the main livelihood activity of many local households that led to good profits. This type of mushrooms grows on cut-down trees which contributed to local environmental deterioration. With the implementation of the NFCP and Grain for Green projects mentioned in the last chapter, the whole Luanchuan county areas were covered, the forest was protected and felling trees strictly restricted. Mushroom-growing became less practicable.

The introduction of tourism did affect local people's right to natural resource use. First, infrastructure construction (e.g., roads and car parks) has unavoidably taken up some households' lands. According to the agreement between the TDC and the village committee, those households with lands that were occupied will be annually recompensed by the TDC in cash, equivalent to crop income in accordance with the year's market price. For the trees growing on the affected land, a one-off payment of 10 Yuan was made for each tree. If some households do not want to give up their lands, the county and township government took the responsibility to coordinate and mediate the negotiation between the TDC and these households. Viewpoints regarding land-loss were not homogeneous among local people. Generally speaking, land-based income accounts for the major share of the overall income of the aged and poor. They were more conservative than the young and rich villagers regarding the land-loss owing to tourism. As one aged villager said:

*It's hard to say. Land was destroyed but (tourism) did not work well. No tourists come and no income comes. Developing tourism means doing some small business (to me). Otherwise what can I do? If (being able to bring) profits, tourism is better than land-cultivation. If not, it's hard to say (which is better)...*

A better-off interviewee cared little about the loss of land:

*For me, (tourism) took up around 200 square meters of our lands. I never mentioned (the compensation to the TDC). If they want, just give me. If not, just forget it ... They built such a good road. What can it value to destroy some of our lands?!*

Second, local people's access to public natural resources is influenced by tourism. Local people used to use local materials, for example wood, sand, gravel, boulder and stone (see Plate 6), to build new houses or for other livelihood purposes (e.g., fencing crops to prevent devastation by animals). However, the development of tourism requires, as much as possible, a primitive natural environment. In order to maintain the primitive look, the TDC introduced regulations prohibiting local people using those natural resources in the scenic area. If people violate the regulation, the TDC fines them.



**Plate 6. Villagers cut boulders in a local stream to make construction materials.**

Third, tourists also caused some effects on local people's natural capital. The majority of tourists come from urban areas. Out of curiosity, some tourists snap blossom branches from private fruit trees in spring and pick up fruit in autumn. As the head of sub-village 5 commented,

*You can imagine... it's the season now. Like the Cornus, persimmon and walnuts, tourists will feel curious and will destroy some ...*

On the other hand, tourists have facilitated the conversion of some natural resources to livelihood income. Guanxing is rich in wild herbs, Chinese gooseberry, persimmon and walnuts. Before tourism, local people seldom sold these items due to low demand and low market price. These items, however, were much welcomed by tourists for the quality of naturalness and greenness. It is arduous to search and dig for herbs and collect wild fruits in the mountains. In fact, there were not many people keen to do this. But some people, especially the poor and aged with few other livelihood choices, have made reasonable profits from such activities and used it as a way of family survival.

### ***7.5.5 Institutional capital***

As a newly introduced concept, institutional capital was examined in this research through local people's access to tourist markets, tourism benefits sharing, access and participation in the policy-making process, and the extent that people's willingness is reflected in political decisions to achieve better livelihood outcomes.

Guanxing tourism falls into the category of “happy-in-farmhouse” which means, besides the local natural sceneries, that farming and farmers’ activities were also an important attraction. Thus, the TDC has encouraged local people to get involved in tourism by providing accommodation and services. To support local people’s initiatives and help people resolve a lack of funds, the TDC and the township government worked on the local government-owned Rural Credit Cooperative to release loans to those people who need funds to build new houses or upgrade old houses to be family hotels. There were ten family hotels by the end of 2006. Family hotels mainly provide accommodation and food. They also sell local specialities (e.g., herbs, walnuts, and Chinese mushrooms) for extra income. In addition, people who cannot afford to run a family hotel were allowed to set up street stalls to sell home-made handicrafts and other tourism souvenirs.

Prior to tourism, the TDC entered into an agreement with the village committee. According to the agreement, the company needs to annually share two percent of its total entry ticket selling income to the township government and 0.5 percent to the village committee. In the scenic area, the TDC takes charge of all administration and management work. The company’s income mainly comes from the selling of entry tickets, administration fees, car parking and the hotel owned by the company. Tourists generally book accommodation through the TDC. In principle, the TDC will fairly distribute tourists to family hotels in accordance with each hotel’s capacity and charge the family a hotel administration fee of two Yuan per tourist. If tourists directly contact and stay in a family hotel, the owner of the hotel needs to report to the TDC and pay the administration fee. On the one hand, only the TDC has the right to issue a tax invoice. Family hotel owners have to report the number of tourists they received to the TDC if tourists require a tax invoice. On the other hand, if hotel owners fail to report and the TDC happens to get to know about visitors, family hotels will be fined or will not be allotted tourists by the company.

Apparently, the outcomes of these tourism-related livelihood activities were closely influenced by the TDC’s management and administration. But according to interviewees, local people have little say in the decision-making processes regarding how to develop tourism. The TDC always makes regulations without consulting local people, for example determining how to allot tourists to family hotels and how much administration fees per tourist family hotels should pay the company. From the perspective of the company, they

think that local people are not well educated and have no knowledge of tourism. As the general manager of the TDC complained:

*In terms of the development of the scenic area, some local people were terrible. As you may have seen, there were several piles of sand on the middle of the road from the entrance gate to our offices. All those were made by people in this sub-village in order to interfere with tourism development... They were so unenlightened. How could I expect them to make some good advices regarding tourism development?*

From the perspective of the local community, people's awareness of participation in the decision-making process is not strongly expressed. Many villagers thought that tourism administration and management is the business of the TDC, although their benefits might be negatively affected by the company's regulations. Part of the reason might be that any unfavourable impact on local people's tourism-related livelihood outcomes has not quite emerged yet owing to the short history of tourism development. Some family hotel owners were concerned about participation in the decision-making process. But they think that it is an unreachable ambition as they have no power and cannot influence the TDC. The aged and the poor, on the other hand, think that they were not capable and seemed apathetic about participation. As an aged villager in sub-village 6 said:

*Its (the TDC) administration and management has no relations with our villagers. I have thought that I might be able to seek some work to do in the scenic area. But... (I am) old, (and it is) impossible. I don't like to flatter people. I am a good-for-nothing.*

Another aged villager in sub-village 7 said:

*Ha-ha, administration and participation? Person like me knows nothing. I never thought about it.*

During the negotiation process regarding how local people's land was to be occupied and how local people should be recompensed, only the TDC and the heads of the village and sub-village participated. No general villager was invited. Many villagers do not know how the TDC pays the village each year, where the payment goes, and how they can benefit from it. Some, even, had never heard of such an agreement between the TDC and the village committee. The compensation standard of 4500 Yuan per ha of occupied land is said to be in favour of the TDC. Even then local people could not get their compensation for their occupied land. According to the general manager of

PMSAMA, the TDC cannot deal with each individual household. They gave the compensation to the heads of sub-villages and commit them to allot the payment. But one head embezzled part of the compensation to build his own family hotel. Those who were supposed to be recompensed did not receive their full share. Thus, conflicts happened between the TDC and local villagers. Some people frequently demanded their compensation from the general manager. I happened to encounter a compensation-importuning scene when I was talking to the engineer-general of the TDC. Below is the story recorded in my research note:

*The compensation-importuner was a 60 years old woman from sub-village 7. She came to the TDC manager's office to beg the general manager for compensation of her three trees and some sand the company used. She had walked a long way to the office several times but got nothing. The engineer-general told her that the manager was not around and refused to give her any contact information for the manager. She was required to go to the head of sub-village 5, who witnessed the company's use of the woman's trees and sand, to obtain a statement. It could be apparently seen that the engineer-general was passing the buck. The woman left hopelessly.*

Some other villagers, however, took radical steps against the TDC because of the resentment of not being fully recompensed, e.g., they blocked tour buses from getting into the scenic area by piling sand on the road. One family in sub-village 7 did not concede their land for the road construction, and only half the road right in front of their house was built (see Plate 7).



*Left: Sand piled on the road by local people to block tour buses.  
Right: Unfinished road construction owing to the villager's interference.*

### **Plate 7. Conflicts between the TDC and local people**

In terms of the scope and the scale, tourism was newly developed in Guanxing village and only a few local households got involved in tourism. To the people who were

not affected by tourism, the institutional asset was not important capital. They showed apathy to the participation in political governance. However, in the case of the people who were affected by tourism, their livelihoods were obviously influenced by the institutional capital and people's awareness of participation has gradually improved.

## **7.6 Horizontal institutional arrangements**

With traditional livelihood strategies, the horizontal institutional arrangements at Guanxing village used to be simple. The Shimiao township government integrates the local situation and policies from the superior governments to make township-wide development plans. The Guanxing village committee is usually responsible for disseminating the township government policies and development plans to each household, and to implement those policies and plans. If some households do not comply with the policies and plans, the village committee will normally help the township government force the households to give in through coercive approaches. On the other hand, the village committee also has initiatives to persuade the township government to take their advice if it has good ideas about the village's development. The local people normally respond to the township government's call for livelihood-restructuring. They were inclined to believe that the township government has a better sense of market than them and they will benefit more from the new livelihood activities. Conventional livelihoods, e.g., crops or herbs, are a household-based activity. Local people grow, harvest and sell the crop or herb at market at a price that they think reasonable. There were few benefit conflicts between the local people, the village committee, the township government and the market.

With the introduction of tourism, however, the TDC and tourists became part of local people's lives and affected their livelihoods. As discussed above, tourism changed local people's livelihoods and life style. The TDC leased local people's land and made rules to administer those who were engaged in family hotels or other tourism-related activities. To some extent, the TDC acted like the 'boss' of those involved in tourism. The relationship between the local people and the company became the managed and the manager. Some conflicts of interest, for example land compensation and family hotel administration fees, happened and led to substantial conflicts between the local people and the company. Under these circumstances, the township government and the village

committee play the role of facilitator and mediator. Facilitator means to facilitate the TDC to start a tourism business. According to the agreement between the company, the village committee and the township government, for example, were responsible for the land restructure and occupancy. The TDC just needed to allot the compensation to local people. Mediation implies that the township government and the village committee play the role of placating both sides when conflicts happen between local people and the company.

Tourists' influence on local people's livelihoods was apparent. Besides the direct economic benefit, tourists also brought sociocultural and environmental impact, positive, negative or both. The interesting thing was that the poorest can directly benefit from tourists without providing service. Sometimes the benefit is very significant to their family. Below is a story I observed:

*Dong and his wife were more than 65 years old and lived in a clay house in mountain sub-village 6 (see Plate 8). A number of households used to live there and neighbored with them. Due to austere conditions (e.g., hard accessibility, barren soil), the other household all have moved down to other sub-villages. Only Dong's family stayed put as he could not afford to build a new house. The old couple have two sons. The elder was 25 years old. He was offered a job of gatekeeper by the TDC and lived in the foot of mountain sub-village 5 where the TDC office is located. The couple lived with their second son who was 22 years old. The second son was a normal person but got insane three years before as no woman would like to marry him because of the poverty. He lays in bed everyday and refused to see anyone except his parents. The couple had to look after him.*

*Dong's families totally live a subsistence and self-dependent life. They had a small plot of arable land. In harvest season, they had to fight against animals (e.g., squirrel, wild pig) for food. Food produced from the land only supports their family's basic needs. They also planted some Cornus trees for extra income to buy salt, oil and other basic living necessities. According to Dong and his wife, the village committee members used to come to them to collect agricultural tax and fees. Since the abolishment of agricultural tax in early 2006 by the central government, the villager leaders had hardly visited them any more due to harsh accessibility. From 2003 and at the time of each Chinese New Year, they were allotted relief aid of a bag of 25 kilograms' wheat flour or 50 Yuan by the village committee. The message was delivered to them by someone who happened to go up the mountain, and Dong needed to walk four km to carry the flour back by himself. If nobody was able to deliver the message to him, he would miss the relief aid. After tourism, tourists sometimes visited them to see the relatively well preserved surroundings of their house. Some tourists donated them a small sum of money out of sympathy and mercy. The donations were, however, quite significant to their family livelihood.*



*Left: Surroundings of Dong's house.*

*Right-front: the local guide, Dong's wife and Dong (from left to right); right-back: the author.*

### **Plate 8. A profile of Dong's family**

Tourism also changed the formal and informal rules. As discussed above, the TDC has formally introduced regulations to manage people involved in tourism. Informally, people's relations were changed and became more commercial. For the family hotels, the tourist market is certain and relations between them were kind of competitive, and when the tourist flow is less than the accommodation capacity, competition becomes intense. Family hotel owners use some informal ways to attract tourists. As one family hotel owner's wife stated:

*The TDC is partial. They were supposed to fairly allot tourists to each family hotel. But Family Hotel ABC (anonym by the author) bribed them and it got more allotment than others. People like me, I never bribed the TDC, and neither did I apple-polish them. Our hotel has received few tourists from the company's allotment.*

According to the general manager of the TDC, the uneven tourist allotment, however, is because of the requirement of tourists. He specifically pointed out the family hotel mentioned above and accused it of negatively influencing the destination's reputation. This was also the reason the TDC allotted less tourists to the family hotel.

Overall then, tourism did change the horizontal institutional arrangements at Guanxing village. It changed the livelihoods that local people were familiar with and introduced new livelihood opportunities that local people were not specialised in. Local people's access to livelihood assets and outcomes has been influenced.

## 7.7 Vulnerability

The vulnerability context includes shocks, seasonality, trends, and institutions. Due to the short history of tourism development, most Guanxing households were still engaged in traditional livelihoods. For the main livelihood of crop-growing, the greatest vulnerability came from natural shocks such as flood, drought and abnormal coldness after spring. Especially in the mountainous area, crops suffered greatly from those natural shocks. Another major livelihood source, labour migration, was mainly influenced by economic trend. The economic recession and renaissance had a direct impact on employment rate. As most work taken by migrant labour was non-permanent, they were very often the group firstly affected by economic changes. Seasonality was another vulnerability context that local people face. As it was controlled by the central government, the grain crop price was little influenced by seasonality, but in the case of herbs and fruits, price varies with seasons, sometimes sharply.

With tourism development, tourism itself became part of the vulnerability faced by local people. In the households highly reliant on tourism, they worry greatly about the fate of tourism as tourism recession means that tourism-related livelihoods will be at risk of failure. As one family hotel owner said:

*The most we worry about is that the boss of the TDC fails to attract tourists... Our people build or reconstruct our houses to accommodate tourists. Quite a number of households even borrowed money or asked for a loan for the family hotels. We were afraid that once the scenic area cannot attract tourists, what we can do with such big houses? We borrowed money and built big houses but nobody live. We mainly worry about this.*

Tourism-related livelihoods were undoubtedly dependent on tourism. Natural and human health shocks also gravely influenced local tourism livelihoods, although not very often. SARs, which broke out in China in 2003, caused a tremendous nation-wide shock to China's tourism development. Although Guanxing tourism opened after the outbreak of SARs, human health shocks were frequently mentioned by interviewees and were considered a serious livelihood risk. In 2001, as mentioned earlier, a big flood washed away many willows, one of main attractions, in the valley in the core scenic area and vegetation in the scenic area was devastated. The flood greatly frustrated tourism development progress. Local tourism-related livelihoods were unavoidably affected. Nonetheless, local people do consider tourism risk-free from natural calamities.

According to local villagers, tourism was generally not as sensitive as crops that are influenced by weather calamities like hail, rainstorms and drought. Even although there might be some influence on tourism, it is normally temporary and does not result in a long-term negative impact on livelihood outcomes. But with crops, the whole season or year's output can be ruined by weather calamities.

Economic trends influence tourism in a broader way. Rapid domestic tourism growth is closely related to China's steady economic development. Guanxing tourism apparently benefited from the economic boom. Seasonality is a common issue in tourism development. Guanxing tourism was no exception. In the winter, many tourists and tourism-related businesses slowed down. As a result, household labour generally shifted to short-term employment to sustain family income. As mentioned earlier, institutional arrangements at the village changed. The relationship between the TDC and local people became subtle. The TDC can affect family hotel income either positively or negatively through the allotment of tourists. Thus, institutions were also part of livelihood vulnerability in a tourism context.

Facing these tourism livelihood vulnerabilities, local people had adopted various coping strategies. On the one hand, tourism was a new thing that local people had never been engaged in. Starting a new tourism business was challenging to most local people. They tried to improve their capability through service skill training and other approaches in order to become professional in providing quality services to attract return tourists. On the other hand, livelihood diversification was the main strategy when tourism livelihood became insufficient to support household survival or was considered less profitable. In this case, traditional livelihood activities would be restarted to compensate or replace the tourism livelihood strategy.

## **7.8 Livelihood outcomes**

As discussed in the research methods in chapter 5, livelihood outcomes were measured using 28 quantitative questions drawn from the literature. These questions were asked via questionnaire-based household surveys. Economic, social, environmental, institutional, and overall livelihood outcome sustainability were evaluated.

### 7.8.1 Economic sustainability

Economic outcomes were evaluated through eight questions (Table 11), with half receiving a positive response, i.e., a mean score greater than 3. Q13 received the highest mean score of 4.42 which indicates that local infrastructure conditions have been improved since the launch of tourism, followed by Q14 (Mean=3.76), Q16 (Mean=3.36), and Q10 (Mean=3.03). Somewhat surprisingly, local people did not think that tourism generated more economic benefits (Mean of Q9=2.64), created more job opportunities (Mean of Q11=2.78), and brought more educational opportunities to local people (Mean of Q15=2.79), which seems to contradict earlier results. Based on my observation and the interviews, the reasons might be attributed to the short history of tourism growth and few people involved in tourism. Q12 (Mean=2.70) was recoded from a negative to a positive direction. Low mean scores implied that the cost of living has increased because of tourism development.

**Table 11. Mean scores for economic sustainability of Guanxing (n=165)**

Questions in economic dimension **	Mean	Std. Deviation
Q13. The region has better infrastructure (like roads, electricity, water, public transport) due to tourism.	4.42	0.58
Q14. Education and medical services have become more available in general since the development of tourism.	3.76	0.68
Q16. It's easier to access information valuable to our livelihoods because of tourism development.	3.36	0.72
Q10. Tourism diversified our family's livelihood choice.	3.03	0.83
Q15. I have more educational opportunities (like vocational training) due to tourism development.	2.79	0.83
Q11. Tourism creates more job opportunities for us than were available prior to its development.	2.78	0.71
Q12. The prices of local products (like food, medicine) and services (like educational services) have increased because of tourism development. *	2.70	0.75
Q9. Tourism brings more economic benefit to our family than existed before tourism.	2.64	0.81

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### 7.8.2 Social sustainability

In Table 12, Q17, Q18, Q19, Q21, and Q22 scored above the “no opinion” score of three. It can be seen that generally tourism did not degrade local social and cultural values; social security and trust did not worsen, and immigrants hardly disturbed local people's life. Q20 (Mean=2.90) was slightly lower than three, which indicates that

tourism did not help to solidify local community. Women’s social status did not improve (see Q23). This was not consistent with what I observed at some family hotels. It might be partly because of the small scale and scope of tourism development. Q24 (Mean=2.52) implied that tourism has yet to increase recreational facilities built for local residents.

**Table 12. Mean scores for social sustainability of Guanxing (n=165)**

Questions in social dimension **	Mean	Std. Deviation
Q18. Tourism negatively influences norms and values in our area. *	3.79	0.54
Q17. Tourism has increased the level of criminality, alcoholism, vandalism, etc. *	3.78	0.65
Q19. Local traditions and culture have become less important because of tourism. *	3.67	0.58
Q22. People who have immigrated to our village from outside because of tourism bothered me. *	3.65	0.57
Q21. People have become less trusting since the launch of tourism. *	3.53	0.66
Q20. Tourism has increased community solidarity.	2.90	0.68
Q23. Women’s status improved after the arrival of tourism.	2.75	0.65
Q24. Because of tourism we have more recreational facilities built for local residents.	2.52	0.73

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### **7.8.3 Environmental sustainability**

Tourism’s environmental impacts on local people’s livelihood outcomes were mostly positive. As seen in Table 13, Q26 had the highest mean score of 3.74, which means that tourism did not cause pollution to the local environment. What is more, tourism has favourably contributed to the attractiveness of the local landscape (see Q25). Q29 (Mean=3.65) showed that tourism did not lead to overconsumption of local water and energy resources. Local flora and fauna were not disturbed by tourists (Q28 Mean=3.61). One environmental benefit brought by tourism was that local people’s environmental awareness improved (see Q30). The reason might be because of the fact that a good environment is a basic requirement for tourism development. The one negative response is Q27 (Mean=2.34). Tourism did not improve waste management in the village.

**Table 13. Mean scores for environmental sustainability of Guanxing (n=165)**

Questions in environmental dimension**	Mean	Std. Deviation
Q26. Tourism causes pollution of the local environment (water, soil and air). *	3.74	0.66
Q25. Tourism development in the area makes the surrounding landscape more attractive.	3.65	0.87
Q29. Increasing exhaustion of water and energy resources was caused by tourist activities. *	3.65	0.60
Q28. The number of visitors results in disturbance to plants and animals. *	3.61	0.65
Q30. As a result of tourism development, people's awareness of environmental protection improved.	3.53	0.78
Q27. Tourism contributes to better waste management in the region.	2.34	0.69

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

#### **7.8.4 Institutional sustainability**

In contrast to the environmental evaluation above, institutional livelihood outcomes, however, were mostly viewed negatively (Table 14). Q33 received the lowest mean score of 2.35, which implied that respondents disagreed that they can access the decision-making process in order to influence tourism development. Local government did not encourage local community participation in tourism decision-making and governance (Q32 Mean=2.48). The overall response to Q34 (Mean=2.85) indicates that communication and coordination among stakeholders in policy and decision making process was not open. Respondents had a negative opinion of the fairness of economic benefit distribution (see Q36) but a positive opinion of social equity (see Q35). Tourism has improved local people's awareness of participation in tourism management and governance as can be seen from Q31 (Mean=3.10).

**Table 14. Mean scores for institutional sustainability of Guanxing (n=165)**

Questions in institutional dimension**	Mean	Std. Deviation
Q35. Unfair social phenomena have increased since the development of tourism. *	3.30	0.73
Q31. Tourism development has made me more aware of opportunities to contribute to participation in management and governance.	3.10	0.84
Q34. There is good communication and coordination among parties involved in the policy and decision making processes.	2.85	0.71
Q36. Distribution of economic benefits generated by tourism is fair.	2.55	0.69
Q32. Participation in tourism decision-making and governance is encouraged by local authorities.	2.48	0.72
Q33. I feel I can access the decision-making process to influence tourism development in the district.	2.35	0.66

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### 7.8.5 Overall sustainability

Table 15 shows the average mean scores of the four key aspects of tourism livelihood outcome sustainability. Environmental sustainability ranked first with an average mean score of 3.42, followed by social (Mean=3.32) and economic sustainability (Mean=3.19). The three dimensions were all viewed positively. Institutional sustainability (Mean=2.77), however, received an overall negative evaluation. In contrast with the evaluation of each dimension, the overall evaluation is surprisingly high (see Table 16 Mean=3.90). Local people were generally satisfied with the tourism programme and believed that tourism was developing sustainably. Although there were some conflicts between local people and the TDC, most people held positive views for tourism development in Guanxing village.

**Table 15. Overall mean scores for the four key aspects of tourism livelihood outcome sustainability of Guanxing (n=165)**

Aspects	Economic	Social	Environmental	Institutional
Mean Likert score for questions	3.19	3.32	3.42	2.77

**Table 16. Mean scores for overall sustainability of Guanxing (n=165)**

Overall**	Mean	Std. Deviation
Q37. Overall, I am satisfied with the tourism programme and I think it is sustainable according to its current development trend.	3.90	0.61

NOTE: \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

## 7.9 Chapter summary

This chapter examined the application of the SLFT to Guanxing tourism, currently at the TALC stage of *involvement*. Guanxing tourism was initiated and controlled by external investors. Although predominant family livelihoods in the village were farm activities and labour migration, tourism has started to influence local people's livelihood assets, horizontal institutional managements, vulnerability contexts and outcomes. Owing to the short history of tourism, tourism impacts were not significant on the livelihood assets of human capital and social capital but were marked on economic and institutional capital. Infrastructure improvement in particular has benefited every villager no matter whether they are engaged in tourism or not. Impacts on natural capital and horizontal institutional arrangements were dramatic, mainly limited to the people whose lands were affected and were involved in tourism. Local people considered tourism more risk free in

comparison to traditional livelihoods such as agriculture. However, vulnerability contexts for a tourism livelihood are not only about natural shocks, but also it was identified that institutions can markedly influence people's tourism livelihoods. Local people had an overall positive view about livelihood outcome sustainability notwithstanding that institutional outcome sustainability was evaluated negatively.

Overall, it can be seen that tourism has greatly changed local people's livelihoods in many aspects, for example, community participation (i.e., access to tourist market, tourism benefit sharing, and awareness of and access to participation in the decision-making process), vertical and horizontal institutional management, the issue of sustainability at the family as well as the community level, and so on. With the DFID and other sustainable livelihoods frameworks, these issues, however, have failed to be addressed. New thinking needs to be developed and it was proven that the SLFT can cope with these changes and can be applied to examine Guanxing tourism from a livelihood perspective, although traditional farm livelihoods remain dominant in the village.

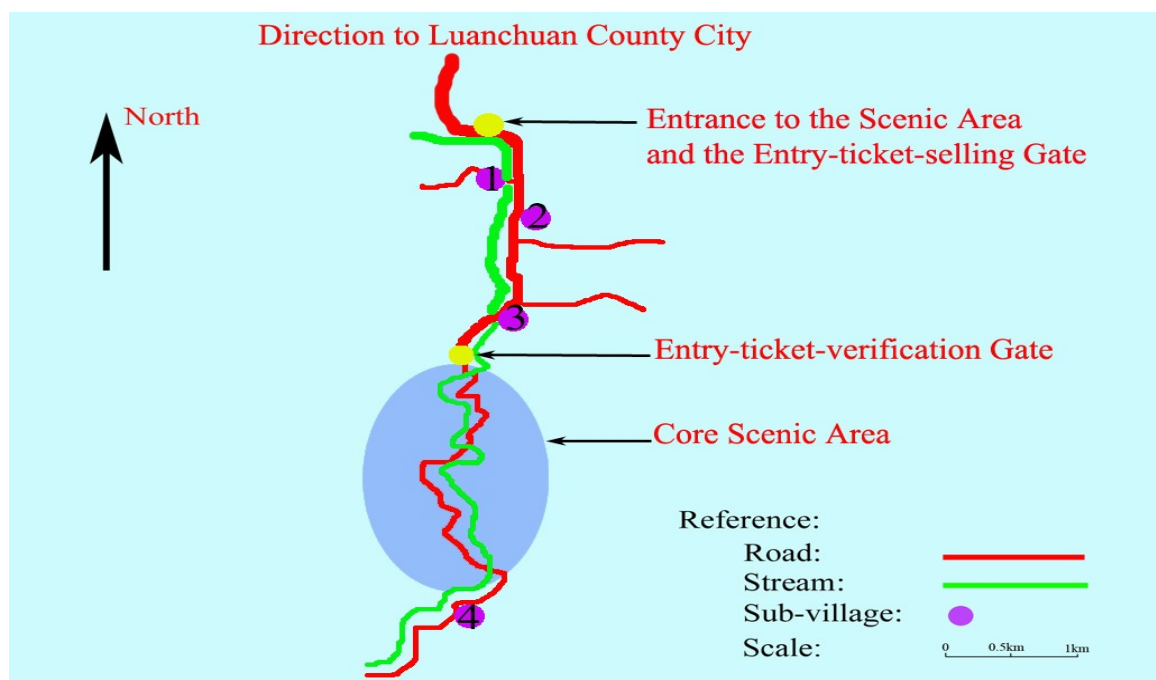
## CHAPTER 8 CASE STUDY 2 – TESTING THE SLFT IN THE ‘DEVELOPMENT’ STAGE OF THE TALC

### 8.1 Introduction

The previous chapter analysed tourism livelihoods in case study site 1 – Guanxing. In this chapter, the second case study site of Yangzigou is examined using the SLFT. The key SLFT elements and the element indicators used in Yangzigou are the same as used in Guanxing. At the end of the chapter, a summary of the analysis of Yangzigou is given.

### 8.2 Case study 2: Yangzigou

Yangzigou is a relatively small village, consisting of four sub-villages and housing 169 households and 647 residents (see Map 4). Administratively, Yangzigou belongs to the jurisdiction of Luanchuan Township. As its name literally implies in Chinese, Yangzigou was the place where Lihua Fan, a well-known fiction heroine in the late Tang Dynasty (324 AD - 705 AD), raised her son in Chinese folklore. Yangzigou is located in a valley and a stream flows through the village. The natural landscape (waterfalls, springs, flora and fauna) and cultural legend about Lihua Fan form the main tourist attractions.



Map 4. Map of Yangzigou village

Primary data collected in Yangzigou included 12 local resident interviews (10 in the first round and two in the second round), one TDC interview and 59 questionnaire-based household surveys. Among the local community interviewees, two were in the age group '25 – 39', five in "40 – 59" and five in "60 and over". Regarding education level, three were illiterate, with three others of primary school education level and six of high school level. Seven interviewees were male. From Table 17, it can be seen that most questionnaire respondents were also male. More than 83% of respondents were aged from 25 to 59 years old and nearly 92% had education level below senior high school. All respondents have been living in the village for more than five years.

**Table 17. Characteristics of respondents in Yangzigou (n=59)**

Profile		Frequency	Percentage (%)
Gender	female	25	42.37
	male	34	57.63
Age	15-24	2	3.39
	25-39	23	38.98
	40-59	26	44.07
	60 and over	8	13.56
Education	illiterate	8	13.56
	primary school	20	33.9
	junior high school	26	44.07
	senior high school	5	8.47
	university	0	0.00
Period of residence	less than 5 years	0	0.00
	5 or more years	59	100.00

### **8.3 A tourism context of Yangzigou**

Similar to Guanxing, Yangzigou is a typical mountainous village where local people have mainly lived on local natural resources and remittances from labour migration. Tourism in Yangzigou was initiated by an external investor Lifeng Wei, who used to be the director of the Poverty Alleviation Office of Luanchuan County. Wei recognised the potential of Yangzigou to become a popular tourist destination and founded a TDC named "Luanchuan Yangzigou Recreational Resort (LYRR)" in 2002 to develop tourism in Yangzigou. Because of the government background, Wei requested a sum of poverty relief funds from the Poverty Alleviation Office of Luanchuan County and used the money as the tourism startup funds.

From its inception, Yangzigou tourism has been operated by LYRR in accordance

with market principles. From 2002 to 2006, the TDC accumulated six million Yuan to invest in tourism development. First, the road from the provincial state highway S328 to sub-village 3 was reconstructed to improve the accessibility to the scenic area (see Map 2 and Map 4). The company also improved the footpath condition from sub-village 3 to sub-village 4 (see Map 4). Tourism facilities (e.g., direction signs, statues and man-made attractions) were put in the scenic area (see Plate 9) and the whole area (including Yangzigou village) was designed into a set of tourist attractions.



**Plate 9. Tourism facilities in Yangzigou scenic area**

Second, local people were encouraged to get involved in tourism development mainly by providing accommodation and services. As is the case in Guanxing, family hotels run by local people were also tourist attractions. However, persuading local people to develop family hotels was not easy because of the suspicions of local people about the feasibility of tourism. To encourage local people to develop family hotels, the TDC lent 2000 Yuan to each household which was willing to be engaged in family hotels and promised the money could be paid back after they have made profits. Before the official opening of tourism at the end of April in 2003, around ten family hotels were developed. By the end of 2006, 93 households were engaged in family hotels by building new houses or upgrading old houses, with 4200 beds in total. Similar to the case of Guanxing, the TDC profits mainly from charging entry fees. Two entrance gates, one entry-ticket-selling gate and one entry-ticket-verification gate were respectively placed at the start of sub-village 1 and at the end of sub-village 3 to control tourists' access to family hotels and the scenic area. Nearly 90% of family hotels were enclosed within the two gates (see Map 4 and Plate 10). It is like an “enclave” tourist destination.



**Plate 10. Entry-ticket-selling gate (left) and entry-ticket-verification gate (right) in Yangzigou tourism**

Third, the company initiated a series of marketing campaigns through mass media and events to promote the image and popularity of Yangzigou tourism. Almost all promotions targeted the domestic market. By the end of 2006, all tourists, according to the general manager of LYRR, were domestic tourists. The promotions made by the company worked and Yangzigou has become a well-known tourist destination nationally. Tourist arrivals increased from 50,000 in 2003 to 140,000 in 2006, and tourism receipts in 2006 reached 2.3 million Yuan – nearly four times more than 2003 (see Figure 10). In addition, more than half of local households developed family hotels by the end of 2006 and many others got involved in tourism by being employed or self-employed in tourism. According to Butler’s TALC, Yangzigou tourism is at the third stage of TALC – development.



**Figure 10. Tourist arrivals and tourism receipts of Yangzigou tourism (Data source: LYRR interviews)**

## 8.4 Local livelihood activities

Livelihood activities in Yangzigou before tourism were non-tourism-related. Farm activities were the basic family livelihoods which included grain (e.g., wheat, maize, and soybean) and economic crop (e.g., mushrooms, herb, and fruit trees) cultivation. Remittances were the main family income source to most local families. Non-farm businesses and other full or part time jobs were also important livelihood activities to some households. As the head of the village committee stated:

*Per capita annual income was not more than 500 Yuan, some just 400 Yuan (before tourism). Family income mainly relied on labour migration and medicine-herb-digging on the surrounding mountain. Agricultural condition was that per capita arable land was less than 330 square meters, or more precisely 280 square meters. It was impossible to count on agriculture. It can only meet the requirement for food. People also sold some Cornus fruit, went out for employment, planted Chinese mushrooms and edible fungi. But none worked well.*



Left: Family Hotel 82.

Right: A new family hotel is under construction.

### Plate 11. Family hotels in Yangzigou

After tourism developed, almost all local villagers got involved in tourism and the structure of the livelihood portfolio greatly changed. Family hotels became the dominant livelihood means for most local households. Local people upgraded their old house or built new houses to accommodate tourists (see Plate 11). The price was 20 Yuan per tourist per day inclusive of food and accommodation. Hotel accommodation capacity ranges from five to 100 beds. In addition, tourism created other diverse livelihood means, for example transporting tourists using tricars or vans, selling local specialities, making handicrafts, lifting tourists with sedan-chairs, cleaning, and delivering goods up to the mountains (see Plate 12).



*Top: Tourist-carrying, local-specialty-selling, and handicraft making (from left to right).  
Bottom: Sedan-chair-lifting, road-cleaning, and goods-delivering (from left to right)*

**Plate 12. Livelihood activities after tourism in Yangzigou**

As seen from Table 18, rental income, mainly referring to family hotel business, has become the most significant family livelihood. Three-quarters of respondents considered rental income to be more than 60% of whole family income. Remittances and non-farm business still remained important in the family livelihood portfolio. More than two-thirds of respondents believed that over 30% of their family income came from labour migration and non-farm business like dairy shops and restaurants. Farming became less important. Sixty-one percent of respondents answered that farm income accounted for less than 30% of overall family income.

**Table 18. Percent of total family income contributed by each livelihood activity in Yangzigou (n=59)**

Income activities	Percent of total income			
	under 10%	10.01-30%	30.01-60%	60.01% and over
Farm (n=23)	21.74	39.13	17.39	21.74
Non-farm business (n=19)	15.79	15.79	26.32	42.11
Remittances (n=20)	10.00	25.00	30.00	35.00
Rental income (n=33)	0.00	0.00	24.24	75.76
Others (n=6)	50.00	0.00	50.00	0.00

However, it is noted that, for a percentage of respondents (21.74%), over 60% of their family income was from farming. Checking the respondents' background, four out of five respondents who mainly rely on farming were poor according to the national poverty criteria. The poor are more likely to rely on traditional livelihoods like

agriculture. Even although, the crops cultivated have changed to more economic-crop-oriented from conventional grain. According to one local villager:

*I do not grow grain anymore and changed to vegetables. I plant fruit trees on my land now. But before the maturation of fruit trees, I first grow vegetables in the gaps between trees. Vegetables were more valuable than grain. Tourists always pick up some from my vegetable garden and ask me to cook for them. They like it.*

Overall then, no matter how the structure of livelihood portfolio changed, most of livelihood activities were now tourism-related.

## **8.5 Local livelihood assets**

Livelihood assets in Yangzigou were analysed in the same way as those in Guanxing.

### **8.5.1 Human capital**

Human capital was analysed through the criteria of the ability to labour, education level, literacy, life expectancy, adult mortality rate (age 15-64), expenditure on health care, and expenditure on education and information. In Yangzigou, the amount of family labour was 1.41 out of an average family size of 3.83. The percentage of family labour was 37%, which was higher than the percentage of 31% in Guanxing. Compared with Guanxing, Yangzigou has a smaller family size but larger amount of family labour. This might be because tourism generated more employment opportunities that are taken up by local people. In terms of education level, less than 10 percent of local people had received senior high school education and over. More than 90% of local people's education level was equal to or lower than junior high school and nearly 14% of them were illiterate (see Table 17). Among the illiterate, according to the head of the village committee, all were the aged and more than 50 years old. As for local life expectancy and adult mortality rate, there were no relevant data. But, from the interviewees, the situation was similar to that in Guanxing. Life expectancy in the village was about 70. Few adults die of illness and the adult mortality rate was very low.

Nearly half of the local people thought they spent most of their money on health and education (Table 19). Examining interviews, payment for school education took up

the biggest share in a family is educational expenditure. In addition, a number of families, especially those running family hotels, started to budget for professional training (e.g., cooking, hotel management) in order to improve their tourism service skills and quality after the development of tourism. However, some local people were worried about the potential degradation of educational quality in the village's primary school. As one aged woman stated,

*Now the primary school retains only 20-30 pupils. Teachers all have family hotels. After school, they all leave and no body looks after the pupils. Without teacher being there, you say, wouldn't it be ... very bad for our children?*

**Table 19. Items a family spent most money on in Yangzigou in 2005 (n=59)**

Items	Frequency	Percentage (%)
Daily expenditure	32	54.24
Education	16	27.12
Health	12	20.34
House-building	10	16.95
Debt-refund	3	5.08
Furniture purchase	3	5.08
Child-raising	2	3.39
Hotel-maintenance	2	3.39
Wedding	2	3.39
Accidents	1	1.69
Farm expenditure	1	1.69
Tax	1	1.69

Health expenditure was not actively spent on preventive health. Rather, it was used in a more immediate way of remedying family members from already-existing-illness and sickness. However tourism did improve the first aid situation. There were two small clinics in Yangzigou which normally deal with simple sicknesses like colds and fevers. In the case of an emergency, it used to take hours to carry patients to county hospitals with stretchers or men-pulled carts due to the inaccessibility for cars to the village. After tourism, road conditions greatly improved and an ambulance can directly drive to most households in the village. Opportunities for treating patients in an emergency were greater than before. As well, acquisition of information useful for family livelihoods became much easier after tourism. As the head of the village committee pointed out:

*It was in the last two or three years that TV, landline phone, China Mobile and China Unicom all came to our village. Mobile phones were so*

*convenient. It can be said that every household has mobile phone now, at least 90 percent. Except few very remote places and some poorest families like “Five-Guarantees”<sup>3</sup>, the others almost all have mobile phones, at least one in one family, normally two.*

### **8.5.2 Social capital**

From the beginning of tourism, village life has changed in many respects. In terms of social security, viewpoints among local people varied. Some believed that tourism has worsened local folk customs. As one aged local villager said:

*Now people are morally backward and were not as good as before. Before, there were very few phenomenon of alcoholism, prostitution and gambling. But it is very popular now. The young may think that it is normal. But people as old as me cannot get used to it.*

However, quite a few respondents held the opposite point of view. Below were some local people’s narratives:

*Safety in Yangzigou is very good. Tourism does not have much negative influence on our society. Family disharmony occurred because of economic difficulties years ago. Now everything is generally well, good economy and good relationship between local people. There was a number of stealing before and there still is now. But generally it is much better than before.*

*Like alcoholism and vandalism, there was some this kind of behaviour (in the village), but very few. Since tourism, I felt that the folk custom improved a lot. In the past, things were sneakily lost, now very rare. Like stealing, here was a lot before, but now it hardly happens. The reason might be because people are running family hotel business. They are very busy and have no time to steal.*

*Now the traffic is much better. Cops will come very soon to mediate small conflicts when you give them a call. Before tourism, it was hard for cops to come (because of bad accessibility). Now local people’s awareness of laws has improved. They will call 110 whenever they encounter conflicts like a skirmish or fights.*

Tourism also changed the social status of women. Women in the village used to be housewives. Their responsibility was to look after the young and the aged in the family, to do housework and farm work. As women did not directly earn money, their family status was not as important as men’s. Since tourism, women started to play an increasingly

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<sup>3</sup> Five Guarantee is a Chinese government welfare policy for disadvantaged rural people.

important role in making decisions about family livelihoods. As one villager said:

*There was a big change in women's social status after tourism. The first is that women now have work to do. The second is that they can play poker and have entertainment when they are not busy. Men will do the housework if they are free. Their physical work gets lessened. Isn't it that their status got improved? Before, women went to do farming. Now a woman is equivalent to a labour like man.*

The head of the village committee commented:

*But all aspects of women's lives were improved. Balancing account, purchasing vegetables, they need to consider these everyday.*

Social resources, trust and local social networks also changed. Similar to the situation in Guanxing, kinship, friends, and neighbours were the most important social network on which most of local families rely for pursuing a better livelihood. The village committee also used to play an important role in influencing family livelihoods, for example allocating land and suggesting livelihood-restructuring. With tourism, the personal social network remained important in seeking a better livelihood. The village committee, however, does not have as powerful an impact on family livelihoods as before. Instead, the TDC is in charge of all tourism-related livelihood activities (e.g., registration of family hotels and market stalls). The village committee plays the role of mediator when conflicts between the TDC and local people occur.

With tourism development, Yangzigou Family-hotel Association (YFA) was formed in 2004. According to the head of the village committee, the association was founded and operated by the TDC. Each family hotel must register as a member. The TDC divided all family hotels into four groups in accordance with hotels' geographical locations and designated four group heads. When the TDC wanted to spread news, distribute tourists, convene family-hotel-owner meetings and do other jobs related to family hotels, it normally did these through the group heads of YFA. In the peak season, the TDC had fortnightly meetings with family-hotel-representatives to inform them of the evaluation of their performance in providing tourist services (e.g., quality of food, sanitation conditions). Those subject to criticism had to improve, or tourists would not be allotted to them by the TDC. Although local people participated, they could hardly argue. The association did impact on local people's livelihoods, but not much.

Trust was one important component of social capital. Tourism, however, eroded the trust between local people. In 2004, there were 1800 beds in Yangzigou family hotels; and this number soared to 4200 in 2005. But at the same time the increase of tourist arrivals was only 30 percent. The business competition among family hotels became intense. This motivated some family-hotel owners to bribe staff in the TDC to get a bigger tourist allocation from the company. From interviews, it is apparent the issue became increasingly serious and many showed their strong concerns, especially those who were poor and were not good at socialising. As some aged family-hotel owners stated:

*I tell you what, before “10.1” national holiday, the TDC sent some staff members out to do street promotion. Before they left, some family-hotel owners gave them tips. I believe that this was a concealed bribe. They put the names of those who bribed them in mind and allocate more tourists to them when they came back.*

*No matter whether one had debt or not, he just thinks of receiving more tourists. Will I be bothered by more money? Like this kind of issue, it is hard to sort it out.*

*Like the people who were not good at socialising, you cannot make a good business without social relations. Talkative people were good at building interpersonal relations and their businesses were quite good.*

*Now all belong to gangsterdom. You need to give them money, no money no tourists. I’ve been allocated hardly any tourists. Some were talkative, and the TDC will allocate a few more tourists to them. If you were not talkative, no social relations and no money, they will not allocate tourists to you.*

During the interviews, I could feel how frustrated the interviewees were. They believed that this phenomenon had breached the trust between local people. They wanted to make changes but felt helpless.

### **8.5.3 Economic capital**

Economic capital was evaluated from income, employment, infrastructure, shelter and buildings, and tools and vehicles obtained for a better livelihood. Economically, tourism led to a dramatic change in local people’s income. Family hotels grew into the most important family income source. The main traditional livelihood of farming became an additional supplement to overall family income (see Table 18). In 2006, the average annual per capita cash income of rural households reached 3294 Yuan, four times more than in 2002. Notwithstanding the big increase, nearly seven percent of households remained extremely poor with an annual per capita net income of less than 500 Yuan, and

27.12 percent of households remained poor with an income range from 501 to 1500 Yuan (Table 20).

**Table 20. Per capita cash income of Yangzigou in 2006 (n=59)**

Income breakdown (Yuan)	0-500	501-1500	1501-3500	3501 and over
Frequency (%)	6.78	27.12	38.98	27.12

Behind this economic growth, there was a strong concern among family hotel owners about loans used in building new family hotels. In 2003, the cost of constructing a 100-square-metre two-storey building ranged from 50,000 to 100,000 Yuan depending on materials used. In 2006, the cost doubled, and it was hardly possible for a normal household to afford such a sum. As a result, 56% of family hotel owners developed family hotel businesses with the assistance of loans of 68,000 Yuan on average from the county Rural Credit Cooperative. The annual interest rate was 12%, meaning that those on-loan families needed to pay 800 Yuan interest on average every year, a significant amount of family income. For some ‘not-running-well’ family hotels, it was even a problem to gain enough profit to pay the interest. Some family-hotel owners expressed their worries about the loans:

*Well, family income now is ok but loans are too much. Once one has a big debt, money he/she earned is just to repay debt. If all debt can be repaid, local people’s lives will be easier.*

*Loans interest was too high. Last year’s loans interest rate was 11.8%...no...it was 11.2%. But this year’s interest rate has become more than 12%. Try to think, given so high loans interest rate, if you did not accommodate tourists, the money you earned was even not enough to pay the loans interest.*

*How much can you earn? I calculated that the money I earned for the whole year was just enough for the loan’s interest. Now the disadvantages have emerged. The situation at that time was that the whole nearby areas developed family hotels. It was impossible for me not to get involved. If I had not built the house, it would be not necessary to loans from bank. Before tourism, my economic situation was not so bad. Now I am trapped in this situation... I cannot complain about the TDC. Rather, it was because of my incomplete consideration.*

Some respondents gave reasons for their worries but showed optimism about debts:

*Debts on local people were quite significant mainly because of too many beds but not many tourists. There were 2000 beds in the village last year, but it suddenly increased to 6000-7000 beds this year.*

*Let's put it in this way, tourist arrivals were not less than last year. But bed amount increased. It is different between three hotels sharing these tourists and ten hotels sharing these tourists. Relatively speaking, this year is not as good as last year. The current situation is that a small part of family hotels which developed earlier had no debt. Most family hotels now have debts. Family hotel business was good at the start and the credit cooperative was willing to release loans. Now almost 80% of family hotels had loans. But to be honest, it was pretty sure that income increased several times more than years ago. This is the fact. Like me, I still have debt of 70,000-80,000 Yuan. But I can earn 20,000-30,000 Yuan each year. Gradually, say after three to five years, the new face of the village you saw now will belong to local people. Now it can be considered belonging to the public.*

In spite of the concerns about debts and loans, local people generally admitted that their daily lives are better than before:

*For Yangzigou people, despite debts, they all can survive. Look at before, if you even could not find eight or ten Yuan in your pocket if you were in difficulty. Now, in even more difficult situation, you can always find 200 or 300 Yuan.*

*Now like 20, 30 or 100 Yuan, even though one is lacking money, people always have some money handy. But before no money was no money. Even 20 Yuan for purchasing salt needed to be borrowed. Now there were five or six families that have bought cars. Some were even planning to buy computers*

In terms of employment, tourism has created job opportunities for almost all local villagers. First, the TDC employed three department managers and about 40 cleaners from Yangzigou, half of its staff in 2005. All the other staff came from outside Yangzigou. In 2006, however, the three local managers and more than 10 cleaners quit their jobs supposedly because of dissatisfaction with their pay. Second, there were 93 family hotels by the end of 2006 and all are owned by local villagers. At a family hotel, nearly all family members were employed in the hotel business in the peak season. Some even needed to employ one to six short-term full-time or part-time chefs or cleaners from Yangzigou or outside the village. Family hotel running is quite labour-intensive. However, compared with labour migration – the main family livelihood before tourism, local people felt more satisfied with working locally. The following statement by a family-hotel owner may represent quite a number of local people's thinking:

*This (running family hotel) is just like migration work and we earn physical-work wage. But it is more stable than labour migration. For labour migration, one is that you may not be able to find a job and second is that you have no idea whether you can get the money you earned. But in the case of a family hotel, the money earned is all yours after tourists come to stay*

*and have food. What's more, you work in your own house. You are busy when having business, but you can take a rest if no tourists come.*

Third, the people who did not develop family hotels because of poverty or insufficient skills, have made a living through employing themselves to carry passengers with vans/tricars from the provincial highway S328 to Yangzigou, making handicrafts, selling local specialities, lifting tourists using sedan-chairs, delivering goods from the foot to the middle and top of the mountain in the scenic area, and doing other tourism-related livelihood jobs (see Plate 12). As the head of the village committee stated:

*If one cannot do family hotel, like people of 50 or 60 years' old, he/she can be a cleaner with a monthly wage of 300 or 400 Yuan. Arrangement of cleaners was negotiated between the village committee and the TDC. Cleaners need to be recruited from Yangzigou rather than people from outside. More than 20 cleaners were arranged. I felt that this is very good for them. But we cannot arrange all the aged to be employed by the company. Some make handicrafts like water gun, walking stick and can earn 20 or 30 Yuan sometimes in one day. Some of the aged set up a street stall and sell bottled water and local specialities. Worse, they can go to sub-village 4 in the peak season when and where there are a lot of tourists. They can pick up beverage bottles and cans tourists littered and make a living on-selling them.*

The most visible change in Yangzigou brought by tourism was probably the shelters and houses. As one family-hotel owner said:

*I built my house last year. Tourism did bring a lot of changes to Yangzigou. You did not even see one storied building three years ago. Now in Yangzigou, except that three families have yet to build new houses, all others have done.*

A house is an important family asset and played an important role in local social life. A decent house was very often a symbol of one's richness and social status. But it only served as a family shelter and never became a livelihood source until the development of tourism. People upgraded their old houses or built new houses to host tourists. The percentage of clay houses decreased from nearly 80% in 2002 to 35.59% in 2006 (Table 21). Sixty-one percent of local houses were two-storey more buildings and most were family hotels (see Plate 13). By the end of 2006, 93 families were engaged in family-hotel businesses and could accommodate as many as 4200 tourists. Family hotels provided lodging and boarding and became the most important family income source.

**Table 21. House types in Yangzigou (n=59)**

Single-storey clay house (%)	Single-storey brick house (%)	Two-storey building (%)	Three-storey more building (%)	Others (%)
35.59	3.39	47.46	13.56	0.00



*Top: A clay house (left). A clay house hosting tourists (right).  
Bottom: A new family hotel and old house (left). Family hotels (right).*

**Plate 13. House types in Yangzigou**

Because of bad road access before tourism, there was no public transportation to the village, and local people used to go to Luanchuan county city to buy and sell goods for income by donkey, motorbike, and tricars. Vehicles played an important role in family livelihoods, but people did not directly benefit from them. Since tourism, 10 families modified their goods-tricars to passenger-tricars or purchased new passenger-tricars to carry passengers and tourists between the village and the provincial highway S328. Two passenger vans bought by two families shuttled a longer distance from Yangzigou to Luanchuan county city (see Plate 14). Carrying tourists and passengers brought an annual income from 5,000 to 20,000 Yuan to these families.



**Plate 14. A passenger van and tricycles were waiting for carrying tourist to Yangzigou at one exit of S328**

Tourism greatly improved the conditions of local infrastructure, especially the road from S328 to Yangzigou. The 5 km long and two-metre-wide road from Yangzigou to S328 was a clay road and could only allow one small tractor to pass before tourism. The first step in developing tourism was to improve road access. The TDC invested two million Yuan in 2002 to widen the road to six meters and sealed the road with concrete. However, the access improvement was not enough to meet the requirement of the rapid growth of tourist arrivals. As the head of the village committee said, the road was fine for sedan cars but was a bit narrow for tour buses. In 2006, the TDC invested another three million Yuan to widen the road to eight meters. Meanwhile, a 4 km long meandering footpath from sub-village 3 to sub-village 4 was improved (see Plate 15). Undoubtedly, the improvement of road conditions has greatly benefited local people, whether involved in tourism or not.



*Left: Walk from sub-villages 3 to 4.  
Right: Road from the village to S328.*

**Plate 15. Improvement of road conditions in Yangzigou**

Yangzigou was also geographically isolated before tourism. Local people seldom installed telephones as people believed that a phone was for communication rather than for family livelihood purposes. They did not want to “waste” money on phone communication. After tourism, the telephone became an important livelihood tool for the family hotels. People needed to use the phone to keep in contact with the outside for a better family hotel business. With tourism growth, there was an increasing requirement on telecommunication infrastructure. The TDC negotiated with the local branches of the two major telecommunication providers in China, China Mobile and China Unicom, to build two mobile phone transmitters in the village to improve the mobile phone signal quality in 2003. By the end of 2006, 90 percent of local households had installed a landline phone and also had a mobile phone. Nearly three-quarters of family hotels owned more than two mobile phones. Undoubtedly, tourism has facilitated the development of local infrastructure which has contributed to better livelihood outcomes.

Overall then, tourism brought many changes to the local economy. As a 30-year-old family hotel owner emotionally sighed:

*The biggest change tourism brought to us is the increase of income. Compared with agriculture, it is much better than agriculture. Now we young people do not need to leave home for labour migration any more. Now I can earn more than 10,000 Yuan in one year while being at home.*

#### **8.5.4 Natural capital**

The main natural capital in Yangzigou was arable land and mountain forest land. On average, each villager can cultivate 0.027 ha arable land and 1.5 ha mountain forest land. All land, as in Guanxing, belongs to the collectives. Local people only hold the land. The collectives (the village committee or the head of a sub-village) have the right to sublet the land on behalf of local individuals. Local people used to grow fruit trees (e.g., *Cornus chinensis*, walnuts, chestnuts, persimmons) on their mountain forest land for family benefits but failed to become rich from it. Later on local people developed Chinese mushrooms growing on cut-down trees which contributed to local environmental deterioration. After the launch of the NFCP and Grain for Green projects, local people could no longer plant on their mountain forest land as the whole Yangzigou area was covered by the projects. Basically, tourism did not affect people’s use of the mountain forest land.

Tourism has a direct influence on the use of local arable land. First, the construction of local infrastructure and tourism facilities, for example roads, car parks, and statues, occupied some families' arable land. Occupied land was sealed with concrete and could no longer be used for cultivation purposes. In the light of the agreement between the TDC and the village committee, the company leased the land for 30 years and recompensed those families in accordance with wheat productivity per ha from 4,500 to 7,500 kilograms. The wheat productivity was converted to cash according to the year's market price and then was annually paid to those families from which land was taken. However, some families requested a one-off payment for the 30 years' compensation because they lacked funds for building family hotels. The TDC agreed.

Second, grain crops were not allowed to be planted on arable land as the TDC considered that grain crops would compromise local attractions. Instead, the TDC encouraged local people to plant fruit trees (e.g., peach, pear, apple and apricot trees) and vegetables. It was believed that fruit tree blossom and fruits can be tourist attractions and fresh vegetables can meet tourists' demand. In fact, fruit trees and vegetables brought more economic benefits than traditional grain crops to local families due to the large tourist market demand.

Third, tourism has affected local people's access to public natural resources. To create an attractive landscape and maintain a good natural environment for tourism, the TDC regulated to protect natural resources in the whole scenic area. Local people were prohibited from using boulders and sand in the village stream which local people used to use as house construction materials, to cut down any trees even for firewood purpose, and to liberally use water from the village stream. Some local villagers expressed their displeasure for these inconveniences. As one aged family hotel owner said:

*The county government was going to build tap water for the people in our sub-village. But the TDC disagreed. They said that once the tap water would have been set up, water in the stream would become less and the scenery here will be affected. They said that water in the stream was contaminated and not drinkable. They just used it as an excuse. How clear is the water in the mountain! But they do not let us use it.*

But some people also showed their understanding:

*Now we cannot use the natural resources at our pleasure. It is inconvenient to our local villagers. But if we use it as same as we do before, attractions will be destroyed.*

Fourth, local people's natural capital was also affected by tourists. Similar to the situation in Guanxing, tourists may damage or destroy some fruit trees, herbs and vegetables belonging to individual families out of curiosity. However, the most that tourists brought was opportunities for local families to change their natural resources to livelihood income. Because of tourist demands, vegetables and some local specialities (e.g., walnuts, persimmons) became more valuable. Selling local specialities has become the main livelihood source for some families, especially poor families.

#### **8.5.5 Institutional capital**

Consistent with the SLFT indicators, the newly introduced institutional capital was examined through local people's access to tourist markets, tourism benefits sharing, access and participation in the policy-making process, and the extent that people's willingness is reflected in political decisions to achieve better livelihood outcomes.

Yangzigou people's access to tourist markets was basically unhindered. The promotional theme of the Yangzigou scenic area was "eco-resort". "Happy-in-farmhouse" was an important part of the whole image of the tourist destination and was a marked selling point in the tourist market. Therefore, local people were urged by the TDC to participate in tourism by developing family hotels. As stated earlier, the TDC lent 20,000 Yuan to 10 households, each receiving 2000 Yuan, to support them to develop family hotels. Witnessing the profitable businesses of the ten families, more and more households wanted to be engaged in family hotels. The TDC persuaded the local government-owned Rural Credit Cooperative to release loans to help local people develop family hotel businesses. At the end of 2006, 93 family hotels operated as the main family livelihood activity. The households that could not develop family hotels because of poverty or lack of skill, were allowed by the TDC to set up street stalls to sell local specialities and other tourism souvenirs at certain designated locations. But people could not set up stalls anywhere. They needed to get permission from the company and follow the company's vending regulations. Another important livelihood activity was passenger-and-tourist-carrying, which was strictly controlled by the TDC. For the sake of preventing competition among vehicle drivers so as not to jeopardise the Yangzigou tourism image,

the TDC set up an upper limit for the number of passenger vehicles. Ten tricars and two vans were permitted to carry tourists and passengers at the end of 2006.

The TDC made profits mainly by charging tourist entry fees, car parking fees and family hotel administration fees. According to the head of the village committee, there was an agreement between the village committee and the TDC regarding benefit sharing. In the first five years of tourism development, the TDC needed to give the village committee an annual payment of 15,000 Yuan. Afterwards, the payment will increase by 5,000 Yuan after each five years. For example, the annual payment will be 20,000 Yuan from the sixth to the tenth year and 25,000 Yuan from the 11<sup>th</sup> to 15<sup>th</sup> year. Being supportive of tourism, the village committee waived the first year's payment. All the rest have been paid. The payments were not distributed to each household; rather, the village committee spent it on public welfare like the upgrade of the village primary school.

The TDC was in charge of all administration and management work related to tourism. It made rules and made local people obey the rules by charging fines and allotting tourists. The TDC set the family hotel daily rate of 20 Yuan per tourist per day, 10 Yuan for accommodation and 10 Yuan for food. Family hotels needed to pay a tax of five percent of overall receipts to the TDC. The company then paid the tax to government tax departments on behalf of family hotels. Besides, family hotels also paid five percent of their receipts to the TDC as administration fees. It means that a family hotel needs to pay two Yuan to the company for each tourist it hosts. The standards of family hotel daily rate and administration fees were made by the TDC without consulting local people. This led to discontent among local people. From interviews, local people believed that the daily rate for the family hotel was too low and they could hardly make a profit from food and even needed to pay for it, given the continual rise of good's prices in recent years. The only profit they could earn was from their houses. They asked for a five Yuan increase in the daily rate but the TDC refused as it considered that low price was an important attraction to tourists. Local people also asked the TDC to waive the administration fee as they believed that the TDC uses their resources to make profits. It would be fair if the company would stop charging the administration fee.

Apparently, local people had virtually no access to the decision-making process. Joining the Yangzigou Family Hotel Association might be considered a kind of

participation; however, this type of participation was manipulated by the TDC and was more akin to tokenism. The company initiated the association and designated the association group heads. According to the head of the village committee, the association was totally administered and managed by the TDC. The village committee and local people could hardly influence the operation of the association. As one family-hotel owner complained:

*When the company receives group tourists, all group heads of the association are supposed to participate in tourist allotment. In fact, these all were tokens. When tour groups came, the company never asked group heads of the association to participate (in allotting tourists to family hotels). Instead, the company has allotted all tourists in advance. It just gave the allotment lists to group heads and required them pass the lists on to family hotels. All (participation) was nominal.*

Regarding participation in the decision-making processes, the TDC and the village committee held similar standpoints. They would not like to see local people take the power of deciding how tourism should be developed. As some interviewees commented:

*We can make suggestions, but the TDC is not compelled to take them. Self-governing? First, I never thought of it. Second, the TDC does not want to see it happen. If you participate much, the company is not happy with you and may take revenge on you. The resistance of founding a self-governing association is: first the village committee does not support you; second the TDC does not accept your advices.*

*Supposedly, we local people should participate in tourism management. But they (the TDC) did not allow us to participate. All (decisions) were made by them. Our village committee was conservative or you could say that they oppose that we were organised. They would not be able to do whatever they want if we had been organized.*

However, attitudes towards participation in tourism decision-making and governance differed among local people. Some were very aware of striving for their own benefits through participation. Some, however, showed apathy to participation, as exemplified by two opposing views given by two family hotels owners:

*Participation in tourism decision-making process? Of course I want to. But the fact is that the TDC would never let us get involved in their administration and management.*

*(I) don't want to participate in the scenic area's administration. Because I am even too busy to handle my own family hotel businesses, how can I have time to take care of other people's issues?*

Although holding divergent opinions towards community participation, local people stood together when encountering issues which may jeopardise their livelihood benefits, for example the family hotel daily rate and administration fees. In 2006, a new issue arose which increasingly concerned local people. According to interviewees, a village called Zaigou, 5 km west from Yangzigou, started in early 2006 to develop tourism. Tourists came to Yangzigou for accommodation and food after they had visited Zaigou owing to limited accommodation capacity in Zaigou. The TDC required these tourists to buy entry tickets to enter Yangzigou village. But the question was that many tourists from Zaigou had visited Yangzigou before and they did not want to pay 30 Yuan for the entry ticket and see the scenery of Yangzigou again. They just came for accommodation and food. In this case, the TDC would not be able to benefit from these tourists and would have to pay for the management cost. The TDC, therefore, refused permission for these tourists to enter Yangzigou village. However, to refuse the tourists' entry also meant loss for family hotel businesses. The same issue also applied to other return tourists for accommodation and food only. Family hotel owners tried to discuss it with the TDC but the company refused at first to concede. The issues of the family hotel daily rate and administration fees had led to discord and potential conflict between the TDC and local people. As a 30 year old family hotel owner stated:

*Because of this, many went to argue with the TDC. But the company allotted fewer tourists or did not allot tourist to those who argued. Now many people apple-polished them. But the more people apple-polish, the worse the situation will be ... If next year remains the same, I suppose that conflicts will happen. When resentment accumulates to a certain extent, conflicts must explode. One family hotel has not received tourists for quite a while this year. The owner said that he would buy and graze goat next year (to destroy surrounding flora).*

By the time of the second-round interviews, the situation had improved. According to a head of one sub-village:

*We negotiated with the TDC and reached a trade-off. After 5pm each day, the company will not block (tourists). Especially for cars with local plate numbers, the gate guards will let the cars enter the village at a glance of car plates. If tourists want to get into the scenic area, there is the other entry-ticket-verification gate down the village. Tourists can buy entry tickets there.*

Overall, local people's awareness of participating in political governance and tourism management, according to the head of the village committee, improved along with tourism growth. However, they have little access to community participation and can

barely influence the TDC on decisions related to their livelihood although almost all families are involved in tourism.

## **8.6 Horizontal institutional arrangements**

Tourism has undoubtedly changed the horizontal institutional arrangements in Yangzigou. The village committee used to play a role of conduit between Luanchuan township government and local people. It also took the initiative of restructuring local economic structure for better livelihood outcomes and was kind of master of the village. With the introduction of tourism, the TDC, however, replaced the role that the village committee had played and became the de facto manager of the whole village. The TDC decided how to develop tourism and held the power of making rules and regulations with barely any consultation with local people. The TDC dramatically changed and deeply influenced local people's livelihoods. When facing benefit conflict (e.g., the issue of the family hotel daily rate), the TDC, however, tried to maximise its own benefits at the cost of sacrificing local people's benefits. Potential conflicts existed between the TDC and local people. If the potential conflicts cannot be reconciled by both sides, local people normally appeal to the township government and the village committee. In this context, the township and the village committee play more the role of mediator and facilitator.

With tourism, tourists were integrated into local people's daily life. On the one hand, tourists became the predominant livelihood source of most of the local families. As detailed above, impact on local families' economic capital was obvious. On the other hand, tourists also impacted on local people's social, natural and human capital, both negatively and positively. As two family hotel owners narrated:

*Tourists I hosted were all very good. When fruits get ripe in autumn, tourists can pick up some if they want, so long as they are not picking other family's.*

*Contacting many tourists, I can learn many things and become more open. Impacts were positive and negative both. After finishing farming in the past, we were relatively free but had no income. Now with the service (industry), tourists were "God". You need to look after them very well when they come. But tourists are many kinds of persons. It does not mean that tourists from outside were necessarily good. Some of them were not so kind. But you cannot conflict with them. The only thing you can do is to feel gloomy, cajole them, and cater for them well. Some just come for drinking alcohol and get intoxicated. Sometimes you couldn't sleep till very late. Sometimes tourists*

*come at midnight and you also need to get up to cook for other tourists at 4am or 5am next day. You need to cook three meals a day. After they leave, go to have a look at the rooms they stayed. What a mess! Anyway, tourists were different. Some were clean and civil.*

Changes to formal and informal rules were significant in Yangzigou. Relations among local people had been greatly influenced by the changes. The TDC made rules and regulations to administer all businesses related to tourism. However, in order to pursue better livelihood outcomes, some people bypassed the rules and regulations and used informal ways to maximise their own benefits. Relations among local people became commercially competitive. As discussed earlier, bribes which family hotels gave some company staff members for a bigger tourist allotment became a serious issue. Not only did it economically affect local people's livelihoods, but also it eroded trust between people and local moral values. According to interviewees, some unsocial family hotel owners hardly received any tourists. Very often, these households were very poor and houses were built with loans. Because of not receiving many tourists, they could not even make enough income to cover the loan's interest. The widening gap between poor and rich has led to increasing concerns among local people.

In sum, tourism brought local people from a traditional and familiar agricultural environment into a new and unfamiliar tourism world. The introduction of the TDC and tourists, and the role change of the village committee, all changed local horizontal institutional arrangements and forced local people to adapt to the new world. Generally, local people adapted well to these changes.

## **8.7 Vulnerability**

With tourism, the most that local people said vulnerability was tourism itself. Now the whole village heavily relied on tourism. Tourists became the main family income source. Interviewees stated things like:

*Worry about no tourists*

*Tourism is to worry about no tourists, no tourists coming.*

*Tourism is mainly about worrying about no tourists. I just worry about this.*

*Worry about no tourists, otherwise nothing to worry about.*

*Now is to worry that tourism cannot last long.*

*I worry about the direction and orientation of tourism development. If no tourists come, I cannot repay the loans.*

*If we have tourists, we will have income. Our lives wholly depend on tourism income.*

Therefore, to maintain sustainable livelihoods here depends firstly on sustaining tourism. Any risk tourism faces means a threat to tourism-based family livelihoods.

Large-scale natural and human health shocks can destroy tourism as well as local livelihoods. As one family hotel owner said:

*We can do nothing about a visitation of Providence. We also fear epidemics. In 2003 when SARS broke out, all family hotels were closed. Tourists couldn't come and we also didn't allow them to come in.*

As for small-scale natural disasters, local people had few concerns as they believed that they were generally short-term and will not bring devastating impacts on the tourism:

*It was the SARS in 2003. It was nationwide, otherwise nothing. (We) do not worry about floods. After a big rain, floods soon disappear. We have a good environment. Mountain torrent and mud-rock flow did not happen.*

*Natural disasters do not affect (tourism) so much because traffic and facilities in the village and scenic area were very good.*

Similar to Guanxing, Yangzigou tourism also benefited from China's rapid domestic tourism growth which is closely related to China's steady economic development. Economic trends at this stage mean more opportunities rather than risk to local livelihoods. Yangzigou tourism also suffered from seasonality. In winter time, many family hotels closed because of not receiving tourists. Some family hotel owners used this time to maintain or upgrade their hotel facilities. Some left home for short-term employment. However, many did not do any work for income as they believed that profits they made in the peak season were enough for the whole year. Institutional arrangements at the village significantly affected local people's livelihoods. Interviewees repeatedly mentioned this point. As discussed earlier, due to the issues of bribery of the TDC staff for a bigger tourist allotment, and refusing tourists entry into the village for accommodation and food purposes only, many families were financially vulnerable. Some families, very often the better-off, benefited.

Local people also pointed out other vulnerability contexts. One was individual

capability. This was more related to the aged and poor. As stated by one family hotel owner:

*It's mainly the influence of service. Tourism is mainly a service industry. I am not good at service and don't know how to make good service.*

Unprofessional attitude can also negatively impress tourists and word-of-mouth may damage the tourism image. One local person worried about:

*So long as you don't cheat tourists... You let tourists eat well, provide good sanitation, and provide considerate service... But it's easy to say. People are different. Some were sneaky and make profits by providing bad service at low cost.*

Other vulnerability contexts local people mentioned included insufficient marketing promotion, and inadequate local infrastructure and tourist facilities. These concerns were all about tourism management. Therefore, tourism management was also a significant livelihood vulnerability context.

To cope with the vulnerabilities, the TDC and local people had made efforts towards building a better destination image, marketing the area as a sustainable tourist destination. This became the prerequisite and basis for the development of both the company and local people. The TDC invested millions of Yuan to improve local infrastructure and improve marketing and promotion. It organised family hotel owners to go to Chongdugou to learn from its experience and held a two-month cooking training course in 2005. All these measures helped to build a good tourist destination. From the perspective of the individual family, local people normally tried to attract more return tourists through upgrading family hotel facilities and improving service skills. However, in the case of institutional vulnerability, both the TDC and local community were involved. Local people could not alone cope with the vulnerability caused by institutional arrangements. It needs both sides to work together. Community participation might be an effective tool to address institutional vulnerabilities.

## **8.8 Livelihood outcomes**

Livelihood outcomes were measured by asking 28 quantitative questions. Economic, social, environmental, institutional sustainability and overall outcomes were

respectively examined.

### **8.8.1 Economic sustainability**

Generally speaking, tourism has economically benefited local people. As shown in Table 22, tourism greatly improved local infrastructure (see Q13) and brought more income to local people than traditional agricultural livelihoods (see Q9). These two items were highly rated by respondents. Responses to Q11 (Mean=3.95) and Q10 (Mean=3.93) indicate that there was strong common understanding among local people that tourism created more employment opportunities and diversified family livelihood choice. Q16, Q14 and Q15 were also positively evaluated. It can be inferred that local people had better access to useful livelihood information, improved education and medical services, and more educational opportunities because of tourism. The only one that received a negative Likert score was Q12 (Mean=2.69), which implied that tourism did lead to an increase to the cost of living.

**Table 22. Mean scores for economic sustainability of Yangzigou (n=59)**

Questions in economic dimension **	Mean	Std. Deviation
Q13. The region has better infrastructure (like roads, electricity, water, public transport) due to tourism.	4.31	0.56
Q9. Tourism brings more economic benefit to our family than existed before tourism.	4.22	0.81
Q11. Tourism creates more job opportunities for us than were available prior to its development.	3.95	0.63
Q10. Tourism diversified our family's livelihood choice.	3.93	0.61
Q16. It's easier to access information valuable to our livelihoods because of tourism development.	3.61	0.64
Q14. Education and medical services have become more available in general since the development of tourism.	3.44	0.77
Q15. I have more educational opportunities (like vocational training) due to tourism development.	3.34	0.86
Q12. The prices of local products (like food, medicine) and services (like educational services) have increased because of tourism development. *	2.69	0.65

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### **8.8.2 Social sustainability**

From Table 23, it can be seen that Q17 received the highest mean score of 4.02. Most respondents did not think that tourism has increased the level of criminality, alcoholism and vandalism. But, there is a high standard deviation for this question

(Q17=1.03). Examining the frequency data concerning this question, 15.25 percent of respondents selected “disagree” (see Appendix 3), which indicates that divergence existed among local people towards this issue. Q18 also received a high evaluation with a mean score of 4.00. Local people did not agree that tourism negatively influenced local norms and values. Q23 received a mean score of 3.78, and Q19 received 3.73, which acknowledged that tourism improved women’s status and did not jeopardise the importance of local tradition and culture. Q22 (Mean=2.98) and Q20 (Mean=2.90) were slightly negatively evaluated. To a small degree, local people felt bothered by migrants from outside and did not think that tourism increased community solidarity. Q21 got the lowest mean score of 2.64, followed by Q24 (Mean=2.86), which means that tourism eroded the trust among local people and had not brought more recreational facilities for local people’s use.

**Table 23. Mean scores for social sustainability of Yangzigou (n=59)**

Questions in social dimension **	Mean	Std. Deviation
Q17. Tourism has increased the level of criminality, alcoholism, vandalism, etc. *	4.02	1.03
Q18. Tourism negatively influences norms and values in our area. *	4.00	0.83
Q23. Women’s status improved after the arrival of tourism.	3.78	0.62
Q19. Local traditions and culture have become less important because of tourism. *	3.73	0.74
Q22. People who have immigrated to our village from outside because of tourism bothered me. *	2.98	0.86
Q20. Tourism has increased community solidarity.	2.90	0.84
Q24. Because of tourism we have more recreational facilities built for local residents.	2.86	0.84
Q21. People have become less trusting since the launch of tourism. *	2.64	0.87

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### **8.8.3 Environmental sustainability**

Table 24 shows the result of the environmental sustainability evaluation. Except for Q29 (Mean=2.34), all others were positively viewed by respondents. In the local residents’ opinion, tourism had led to the increasing exhaustion of local water and energy resources. Q25 was given the highest mean score of 4.46 which indicates that tourism positively contributed to the attractiveness of local surrounding landscape. Q30 and Q27 were also highly positively evaluated with mean scores of 4.05 and 3.97, respectively. It was agreed that tourism improved local people’s environmental awareness and contributed to better waste management. Mean scores for Q28 and Q26 were slightly

higher than the ‘no opinion’ of 3, which meant that tourists did not disturb local plants and animals, and tourism did not add to pollution of the local environment.

**Table 24. Mean scores for environmental sustainability of Yangzigou (n=59)**

Questions in environmental dimension**	Mean	Std. Deviation
Q25. Tourism development in the area makes the surrounding landscape more attractive.	4.46	0.50
Q30. As a result of tourism development, people's awareness of environmental protection improved.	4.05	0.43
Q27. Tourism contributes to better waste management in the region.	3.97	0.26
Q28. The number of visitors results in disturbance to plants and animals. *	3.27	0.89
Q26. Tourism causes pollution of the local environment (water, soil and air). *	3.02	0.94
Q29. Increasing exhaustion of water and energy resources was caused by tourist activities. *	2.34	0.71

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

#### **8.8.4 Institutional sustainability**

As Table 25 demonstrates, institutional sustainability was generally negatively evaluated. Only Q31 (Mean=3.83) and Q32 (Mean=3.19) received positive evaluation, which implied that tourism contributed to the improvement of local people’s awareness of participation in tourism administration and management, and the participation was encouraged by local authorities. Q33 got the lowest mean score of 2.05. Local people did not think that they had access to the decision-making process to influence tourism development in their village. Q35 (Mean=2.42), Q34 (Mean=2.58) and Q36 (Mean=2.80) were moderately negatively evaluated. Unfair social phenomena increased since tourism and economic benefit distribution was not fair in local people’s eyes. Communication and coordination in the decision-making process among stakeholders were not so smooth.

**Table 25. Mean scores for institutional sustainability of Yangzigou (n=59)**

Questions in institutional dimension**	Mean	Std. Deviation
Q31. Tourism development has made me more aware of opportunities to contribute to participation in management and governance.	3.83	0.62
Q32. Participation in tourism decision-making and governance is encouraged by local authorities.	3.19	0.93
Q36. Distribution of economic benefits generated by tourism is fair.	2.80	0.83
Q34. There is good communication and coordination among parties involved in the policy and decision making processes.	2.58	0.86
Q35. Unfair social phenomena have increased since the development of tourism. *	2.42	0.77

Q33. I feel I can access the decision-making process to influence tourism development in the district.	2.05	0.65
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NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### 8.8.5 Overall sustainability

Table 26 shows the average Likert scores for each of the four key sustainability dimensions. Economic, social and environmental sustainability all were positively evaluated, with economic sustainability the highest (Mean=3.69), then environmental (Mean=3.52) and social sustainability (Mean=3.36). Institutional sustainability (Mean=2.81), however, received an overall negative evaluation. Overall satisfaction (see Table 27) scored 3.49 on average, which indicated that local people were satisfied with tourism and held promising views about tourism development.

**Table 26. Overall mean scores for the four key aspects of tourism livelihood outcome sustainability of Yangzigou (n=59)**

Aspects	Economic	Social	Environmental	Institutional
Mean Likert score for questions	3.69	3.36	3.52	2.81

**Table 27. Mean scores for overall sustainability of Yangzigou (n=59)**

Overall**	Mean	Std. Deviation
Q37. Overall, I am satisfied with the tourism programme and I think it is sustainable according to its current development trend.	3.49	0.65

NOTE: \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

As an old couple happily said:

*Before, there were only boulders and mountains in our village. Many young people were single and couldn't get married (because of poorness). Situation didn't get better until the launch of tourism. Now we can earn money and meanwhile have more information via communicating (with tourists). Our villagers welcome these. We never dreamed of the changes. People like us, we are both more than 70 years old. We have thought that our whole lives would remain unchangeable. We had eaten tree bark and grass root, even stone powder... We never imagined that we can live so well now.*

## 8.9 Chapter summary

This chapter examined the application of the SLFT to Yangzigou tourism, currently at the TALC stage of *development*. Yangzigou was initiated and controlled by an external

investor with a government background. After three years of development, the site became a nationally well-known tourist destination and almost all family livelihoods were tourism-related. Tourism contributed to the improvement of human capital, and dramatically and more positively changed economic capital. Livelihood assets of social, natural and institutional capital were greatly influenced by tourism both negatively and positively. Tourism also markedly changed the horizontal institutional arrangements in the village and the changes had direct impacts on local family livelihoods. With the development of tourism, tourism itself and institutions became significant vulnerability contexts. Tourism management and personal capability were also identified as vulnerability contexts. Livelihood outcomes were overall positive, with economic outcomes given the highest rating. However, local people were not satisfied with institutional outcomes and gave a negative view. In sum, the SLFT can be applied to the case of Yangzigou and an insight from the livelihood perspective was obtained.

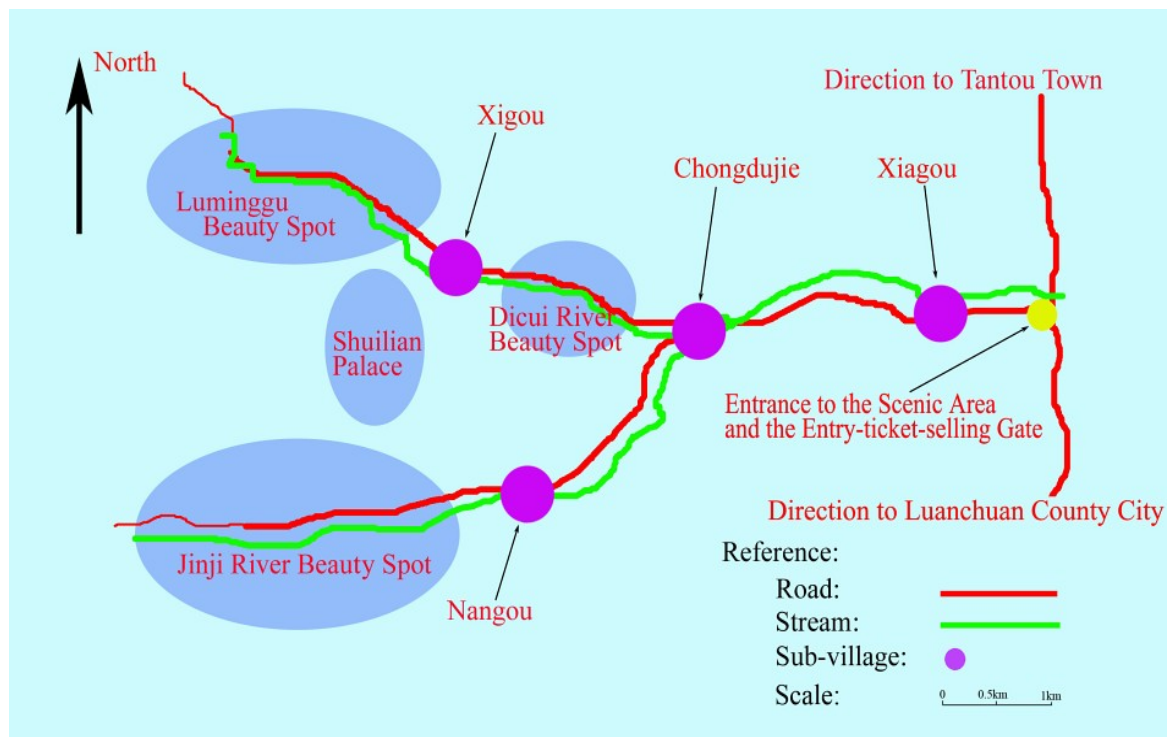
# CHAPTER 9 CASE STUDY 3 – TESTING THE SLFT IN THE ‘REJUVENATION’ STAGE OF THE TALC

## 9.1 Introduction

Using the same key elements of the SLFT and the evaluation criteria as used in Guanxing and Yangzigou, Chapter 9 aims to test the application of the SLFT in the third case study site of Chongdugou. At the end of the chapter, a brief analytical summary of Chongdugou and overall analysis of the three case studies is presented.

## 9.2 Case study 3: Chongdugou

Chongdugou village comprises four sub-villages, Xiagou, Chongdujie, Nangou and Xigou (see Map 5) and is home to 358 families and 1400 villagers. Chongdugou is located 50 km northeast of Luanchuan county. In terms of political administration, Chongdugou is administered by Tantou township (see Map 2).



Map 5. Map of Chongdugou village

Since tourism began in 1996, Chongdugou has been separated into four main tourist areas. Jinji River beauty spot, the foremost tourist area adjacent to Nangou sub-village, was exploited initially. Its main attractions were waterfalls and springs. Dicui River beauty spot mainly refers to the bamboo area through which visitors come into Xigou sub-village. Shuilian palace is a cave located in the upper of Dicui River, which is known for blue water, waterfalls and grotesque stones. Luminggu beauty spot in the west end of Chongdugou has attractive waterfalls and mountains (see Map 5). Overall, Chongdugou is considered a place of beauty, quietness, steepness, and naturalness.

In Chongdugou, 14 village residents were interviewed (12 in the first round and two in the second round) and 121 household surveys were delivered. Six interviewees fell into the age group of “40-59”, four “25-39”, and four “60 and over”. Three interviewees had received senior high school education, five junior high school, three primary school and three were illiterate. Nine interviewees were male. In terms of the profiles of household survey respondents (see Table 28), there were more female respondents (56.2%) than male (43.80%). The most respondents (83.47%) fell into the age group “25-59”. More than three-quarters of respondents received education below senior high school level, and 20% of respondents’ education level was senior high school or over. All respondents have been living in the village for more than five years.

**Table 28. Characteristics of respondents in Chongdugou (n=121)**

Profile		Frequency	Percentage (%)
Gender	female	68	56.20
	male	53	43.80
Age	15-24	13	10.74
	25-39	40	33.06
	40-59	61	50.41
	60 and over	7	5.79
Education	illiterate	17	14.05
	primary school	33	27.27
	junior high school	44	36.36
	senior high school	23	19.01
	university	4	3.31
Period of residence	less than 5 years	0	0.00
	5 or more years	121	100.00

### 9.3 A tourism context of Chongdugou

Before tourism, Chongdugou was similar to Guanxing and Yangzigou, i.e., a mountainous village where local people mainly lived on local natural resources and remittances from labour migration. The only difference between the three villages might

be that Chongdugou was poorer due to its remoteness. Chongdugou tourism can be traced back as early as 1996, when Haiming Ma, an associate mayor of Tantou Township Government, intended to develop Chongdugou tourism after he visited many developed regions and tourist areas in China as a member of a study tour group organised by the Luoyang City Committee of Economic Restructuring. On 16 August 1996, the Tantou Township Government formed the “Company of Tantou Town Tourism Resource Exploitation”, with Haiming Ma being the company manager as well as the only employee.

Except for Ma, the company was initially just a ‘shell’, with no funds and employees. Ma knew that the development of tourism must count on the support and involvement of local people. He pictured a beautiful blueprint for local people and tried to persuade them to get involved in tourism. But it did not work out as local people did not believe that tourism would ever succeed. Ma never gave up and kept indoctrinating his thoughts to local villagers. Some villagers started to believe him. However, the start-up of tourism needed funds and the township government had no budget for the company because of poor government revenue. Ma worked hard and obtained a sponsorship of 35,000 Yuan from Luoyang Communication Bureau in Jan 1998.

In March 1998, “Luanchuan County Tanzhou Tourism Development Ltd. (LTTDL)” was jointly founded by Tantou Township Government and the Chongdugou village Committee. Three township government officials became the company employees and the TDC was actually wholly controlled by the township government, yet was still short of funds. In order to gain support from local people, Ma decided to firstly upgrade the footpath, the only access to the village, to a wider and better road as good road conditions were the basis of tourism as well as village development. This decision received active support among local people because a good road would benefit every villager no matter whether he/she became engaged in tourism or not. The road reconstruction commenced on 15 April 1998. All villagers got involved in the project by providing labour, tools, food and money. A 3.8-km road from the entrance to Chongdujie (see Map 5) was started first. Touched by Ma’s persistence and enthusiasm, many government departments and people helped Chongdugou tourism development by giving money and sponsoring construction materials. In July 1998, road construction from Chongdujie to Jinji River beauty spot and from Chongdujie to Luminggu beauty spot

started. By July 1999, all road construction was finished.

Meanwhile, Ma realised that local people could not benefit much from tourism if tourists just come for sightseeing but did not stay in the village. He tried to persuade local residents to upgrade their spare rooms into “family hotel” accommodation and attract tourists. But nobody believed him as local people thought that tourists would not be willing to live in their old rooms. After Ma’s persistent efforts, five households agreed to develop family hotels by simply upgrading spare rooms. On 10 July 1999, Chongdugou tourism officially opened, with five family hotels and around 50 beds. The TDC did successful marketing and promotion through central, provincial and prefectural-city mass media. Chongdugou became nationally well-known in the next year. In the meantime, the image of Chongdugou tourism was formed as “happy-in-farmhouse” agritourism characterised as “eating farmer’s food, staying in farmer’s house, doing farmer’s work, relaxing as farmers do, immersing in the rural life style, and enjoying natural scenery”.

Chongdugou tourism was totally managed and administered by the TDC and grew rapidly. However in 2004, the operation of the TDC got into difficulty. As the former head of Chongdugou Village Committee, the witness and participant of the whole tourism development process, stated:

*In 2003 the county government set up us a goal of reaching four million Yuan of entry ticket income. For the four million Yuan, 0.8 million Yuan was used to pay tax, 1.2 million to do marketing and promotion, 1 million to pay 75 staff members’ salary, and only 1 million left. This 1 million Yuan all was used to cater for government officials. Company staff like me had an annual salary of 10,000 Yuan. However, salary couldn’t be paid later. The township government officials came here for meals without paying restaurants. All meal bills finally came to the company and we had to pay. If the company keeps running like this, it would go to bankrupt at last. Then the TDC was transferred.*

On 10 August 2004, the company was sold to three private investors, one from Beijing and two from Luanchuan county city. According to the agreement between the investors, the township government and the village committee, the investors paid a one-off payment of 14.8 million Yuan to the township government and 1.2 million to the village committee to obtain 50 years’ right of self-management of Chongdugou tourism. In addition, the new private TDC needed to annually pay 500,000 Yuan to the township government. After the change of the company management system, the majority of staff

members left and the TDC recruited new employees. In order to further tourism development, the private investors spent 33.8 million Yuan to build tourism facilities and launched new recreational programmes, including tourism signs, a high-standard tourism toilet at Chongdujie, a man-made lake and rafting between Xiagou and Chongdujie, a performance plaza and a gourmet street at Chongdujie (see Map 5 and Plate 16).



*Performance plaza, man-made lake, and gourmet street (from left to right).*

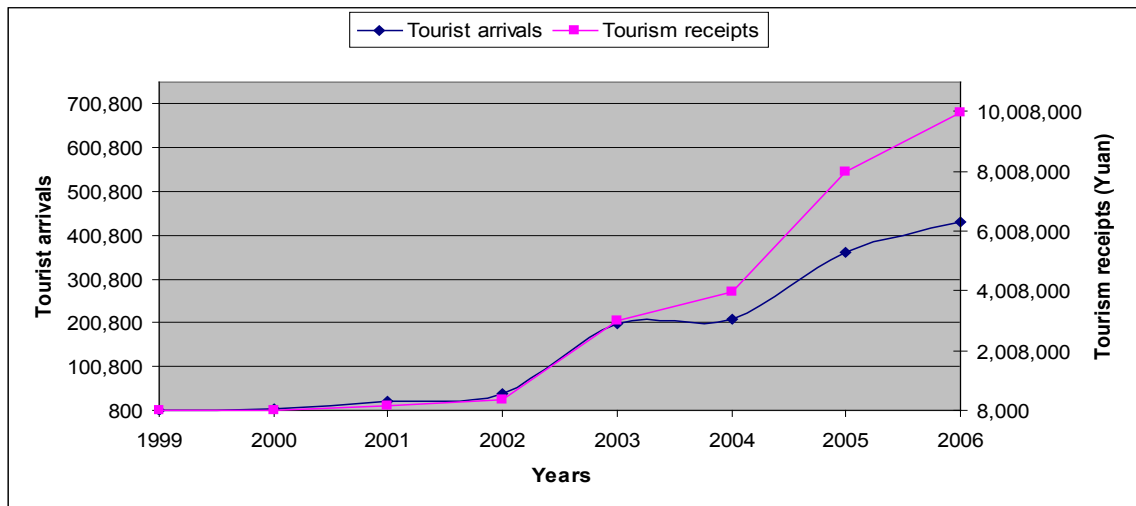
#### **Plate 16. Tourism and recreation facilities in Chongdugou scenic areas**

The family hotel was an important selling point of Chongdugou tourism. Seeing the first five family hotels make much better profits than traditional livelihoods, more and more families participated in tourism by developing family hotels. Chongdugou tourism was one of the forerunners of agritourism in China. Initially, tourists cared little about simple and crude conditions of family hotels because of huge tourism demand. Local people normally spent little money on upgrading their spare house rooms to accommodate tourists. After a couple of years, many of them made good profits and used the profits to build new family hotels. By the end of 2006, 328 families had developed family hotel businesses, nearly 92% of overall local families. The old TDC made profits from charging entry fees when the entry-ticket-selling gate used to be at Xigou. After the private investors took over the TDC, a new gate was built at the entrance of the whole village in late 2004 (see Map 5 and Plate 17). Any people wanting to enter the village needed to buy entry tickets. Ticket prices increased from 20 Yuan in 2000 to 30 Yuan in 2004, 40 Yuan in 2005, and 60 Yuan in 2006. In addition, the rafting programme gradually became a main income source for the new TDC. The whole village and all tourist attractions were enclosed in the tourism area. Tourists' entry to the tourism area was controlled through the only access – the entry-ticket-selling gate. Tourists could have accommodation, food, shopping and recreation in the tourism area. In this sense, Chongdugou is more like an “enclave” tourist destination.



**Plate 17. Entry-ticket-selling gate in Chongdugou tourism**

Chongdugou tourism grew rapidly. In October 2005, it was approved as a “National AAAA Scenic Area” by CNTA and was awarded “Demonstration Village for New Socialist Countryside Construction” by the provincial government of Henan. According to the manager of the Marketing Department of the new TDC, tourist arrivals reached 0.43 million in 2006, 500 times more than in 1999. Tourism receipts also exhibited exponential growth from 8000 Yuan in 1999 to 10 million Yuan in 2006 (See Figure 11). Chongdugou has now become a relatively highly commercialised tourism village. From Figure 11, however, it is difficult to define which TALC stage applies to Chongdugou solely based on tourist arrivals and tourism receipts because of its short tourism history. According to Butler (2006, p. 8), the ‘rejuvenation’ stage is also characterised as “a complete change in the attraction on which tourism is based” and new emerging tourism facilities. Given interviews presented later in this chapter, many changes have occurred in terms of tourism attractions, facilities, and administration and management since 2004. Considering tourist arrivals, tourism receipts and all these changes, it is concluded that, in the context of Butler’s TALC, Chongdugou tourism has experienced the developmental stages of exploration, involvement, development, and consolidation/stagnation. Since the transformation of the management system of the TDC in late 2004, it has revived and is now in the stage of rejuvenation.



**Figure 11. Tourist arrivals and tourism receipts of Chongdugou tourism (Data source: LTTDL interviews)**

#### 9.4 Local livelihood activities

Before tourism, livelihoods in Chongdugou were similar to other mountainous villages. Farming was the basic family livelihood activity. But due to limited arable land, grain crop cultivation (wheat, maize and soybean) could only support a subsistence life. Local people had also planted economic crops like fruits trees, herbs and Chinese mushrooms but remained poor, until tourism. Some villagers sold bamboo or bamboo handicrafts for extra family income. The main family income source, however, was labour migration. All these livelihoods were non-tourism related.

With tourism development, the whole village became involved in tourism and almost all families lived on tourism. Local families (91.6%) developed family hotels by upgrading old houses or building new houses. Family hotels provided accommodation and food to tourists at the price of 20 Yuan per tourist per day and accommodation capacity varied from 5 to 150 beds. Some family hotels also sold souvenirs and local specialities to tourists. Family hotel businesses became the main family livelihood. Carrying tourists from the village entrance to Chongdujie by tricars or vans used to be some families' main income source. However, after the change of the TDC owner, tourist-carrying was not allowed to be run by individuals. Instead, the village committee bought eight electric carts to carry tourists. After tourism, employment in the TDC and other enterprises was another significant family livelihood for many households. Besides, many families planted vegetables for their own family hotel's use. Local people did not

consider it a livelihood activity. Other livelihood activities included local-speciality-selling, handicraft-making, and sedan-chair-lifting (see Plate 18). In off-peak seasons, labour migration remained important to quite a few families.



*Top: Family hotel (left). Family hotels and souvenir shops (right).  
Bottom: Street stall selling local specialties (left). Spirit-making process show (right).*

**Plate 18. Family hotels and other livelihood activities in Chongdugou**

Rental income for family hotels was the predominant family livelihood (Table 29). Nearly 72% of respondents considered that family hotel income accounted for more than 60% of their overall family income. It is noted that about two-thirds of respondents agreed that over 30% of their family income came from non-farm businesses (e.g., souvenirs shops, street stall selling) and others that generally provided paid-employment. Remittances or labour migration was still an important livelihood for some families. More than half of the respondents considered remittances made up over 60% of overall family income. Farm income became less important. As a whole, except for labour migration in off-peak seasons, other livelihood activities were all tourism-related.

**Table 29. Percent of total family income contributed by each livelihood activity in Chongdugou (n=121)**

Percent of total income Income activities	Under 10%	10.01-30%	30.01-60%	60.01% and over
Farm (n=5)	20.00	40.00	20.00	20.00
Non-farm business (n=32)	0.00	31.25	34.38	34.38
Remittances (n=39)	2.56	10.26	35.90	51.28
Rental income (n=85)	0.00	7.06	21.18	71.76
Others (n=96)	11.11	22.22	33.33	33.33

## 9.5 Local livelihood assets

Livelihood assets in Chongdugou were analysed in the same way as for Guanxing and Yangzigou.

### 9.5.1 Human capital

Human capital was analysed through the indicators of ability to labour, education level, literacy, life expectancy, adult mortality rate (age 15-64), expenditure on health care, and expenditure on education and information. In Chongdugou, average family size was 3.91 and the average amount of family labour per family was 1.53. The percentage of family labour was 39%, higher than the percentage of 31% in Guanxing and 37% in Yangzigou. Regarding education level, as seen from Table 28, 22% of local villagers had education levels of senior high school or over. Seventeen percent were illiterate and all others were educated at primary and junior high school. The percentage of illiterate in Chongdugou was higher than Guanxing (11%) and Yangzigou (8%). According to the head of the village committee, all illiterate people were more than 50 years old. The higher percentage was because of the remoteness and poorness, prior to tourism. Data on local life expectancy and adult mortality rates were lacking. But the deputy head of the village committee said two adults died of traffic accidents, otherwise no unusual adult death occurred. Life expectancy of local people was about 70.

Table 30 shows local people's expenditure on health care, education and information. Nearly 45% of respondents considered that most of their money was spent on health and education. Education expenditure was mainly on school education, especially for senior high school and college education. As tourism has developed over the last few years, many families had taken professional training courses. According to

the interviewee, very few families now spent money on professional training (e.g., hotel management). As part of the agreement between the new TDC and the village committee, the new TDC pays the tuition fees for all primary school students of the village. In addition, the new company, if necessary, sponsors the village committee members on tourism study tours to other tourist destinations in China.

**Table 30. Items a family spent most money on in Chongdugou in 2005 (n=121)**

<b>Items</b>	<b>Frequency</b>	<b>Percentage (%)</b>
daily expenditure	100	82.64
education	35	28.93
hotel-maintenance	19	15.70
health	17	14.05
house-building	13	10.74
child-raising	5	4.13
wedding	4	3.31
gifts	2	1.65
debt-refund	1	0.83
house-rebuilding	1	0.83

Similar to the situation in Guanxing and Yangzigou, local people normally spent money on health care in the more immediate way of remedying family members from already-existing-illness and sickness rather than on health facilities or gyms to pursue better family health conditions. Tourism, however, indirectly benefited local people with respect to health care. The village used to have two simple clinics. With tourism development, medical equipment in the clinics improved. In addition, time for to travel to hospitals in Tantou town and Luanchuan county city was reduced because of the great improvement to local infrastructure (e.g., road and telecommunication). Acquisition of livelihood information became much easier after tourism. All family hotels installed telephone and cable TV, and 70% of family hotels purchased computers and had access to broadband in 2006. The village and the new TDC also invested and built a TV station, the only one at the village level in China in 2006.

### **9.5.2 Social capital**

Social capital was examined via criminality, women's status, and social resources for a better livelihood. Because of the remoteness, Chongdugou used to have a rustic social and folk custom. Criminality was rare in the village before tourism. With tourism development, social safety and security changed little, but the local social and folk custom changed. As some local people said:

*Social and folk custom is not so different from the past. But people have become richer and more sophisticated. Now people are too sophisticated and relationships between people become alienated. The social and folk custom is still ok, not so bad. We put stuff outside houses and stuff does not get taken at all. Safety is pretty good. Social and folk custom in the mountains is very good, there is no stealing.*

*People have money but relationships between people became alienated. For example in the past if you were having meal here, and some passerby came, you would greet them and say “come, come, have a meal”. But after tourism, people will never let you come for a bowl of food. Relatives come but there is no place to stay. They put economics at the first priority.*

Some people believed that the influence of the social and folk custom change on local people varied. A 38 year old woman gave her opinion:

*When somebody gets married in the village, you must go to give a hand even though you are busy earning money. Generally the tourism influence (on social and folk custom) is not so much. But it depends on individuals. Some people prioritise earning money and do not care about neighbourship.*

The social status of women changed greatly, and improved. Prior to tourism, men used to be the master in a family and decide important affairs in the family, for example, how to make a living and how to spend family income. This was probably mainly because men earned money to support all family expenses and women looked after the young and the aged in the family, and did housework and farm work. Therefore, women seldom had a strong voice in a family. Tourism, however, changed this situation and women increasingly showed their importance in a family. Below were two women’s comments on their social status:

*After tourism, women’s status was improved and is much better than before. Now people do not need to leave home to look for employment. People can earn money at home. Some set up street stalls. People who have family hotels run family hotel business. People who have no family hotels work for others with a monthly payment of three or four hundred Yuan.*

*Women’s status has definitely changed. They do not need for anything. They do something when they want. If not, they can relax all day. Before, women went to mountain to dig land all day. They came back to cook lunch and then back to mountain again. They were hardly visible all day. But now...*

The head of the village committee also shared his opinion:

*Housewives’ status has absolutely improved. After tourism, women turned over and all became shopkeepers. We were not family masters anymore. For example in my family, my wife became the shopkeeper. She hired a waitress*

*and a cook. She just looked after the income. Now the women's status is better than men's.*

Tourism also changed the social resources, trust and local social networks. Kinship, friends, and neighbours used to be the most important social resources local families normally relied on for pursuing a better livelihood. Notwithstanding that these remain important, these social resources have been negatively influenced by tourism. As the former deputy head of the village committee commented:

*Here neighbourhood was very harmonious. (If one needs help), people can help you three or five days and never complain. Now, you need pay me if I help you with your work. No payment is ok for half or one day. Two days were not possible. People's minds are distorted. With guests, people always send guests something in the past when guests leave. Now?! It's impossible. People become sophisticated.*

The village committee is still an important social resource as well as a social network after tourism. As mentioned in the tourism context, all villagers participated in the foundation of Chongdugou tourism. The village committee was basically a cofounder. With the old TDC, the village committee was able to have some voice on behalf of local people although it had little real power in the TDC's administration and management. With the new TDC, the village committee is more like a business partner of the company and could not influence the company's operation. However, the investors were outsiders and needed support and cooperation from the village committee when implementing company policies and facing conflicts with local people. As the deputy head of the village committee pointed out:

*It can be said that Chongdugou tourism is administered by the TDC and the village committee together. The company has no right of law enforcement. They need the village committee to mediate in case of dispute.*

Therefore, the village committee is still an important social resource local people can seek help from. However, some local people thought that the village committee just stood for benefits of the TDC. Local people's livelihoods could even be negatively influenced. As one family hotel owner complained:

*The village committee members stand on the TDC's side and were obedient to the company's commands. Allow me say a rude word; they were just a watchdog of the company. If the TDC asked them to bite someone, they will bite someone. Like bickers or scuffles involved in by local villagers and the TDC, our village committee is supposed to be on our side, right? They should speak for us. But after you talked to them, they just said that you were*

*unreasonable. The TDC were doing their work, bla bla. Then you came back and keep silent. The village committee members speak for the TDC. What can I say? I can only be angry, and there is nothing to say. The village committee members were close to the company. They never lacked tourists. Their businesses are doing so well and they just care about their own income. Will they care about you? Impossible!*

After the new TDC took over the operation of Chongdugou tourism, Chongdugou Family-hotel Management Association (CFMA) was founded by the new TDC in late 2004. According to the deputy head of the village committee:

*Now there is a family-hotel management association. Led by the company, each sub-village selected a committee member to form the association committee. Together with the relevant company department, the association committee made family hotel management regulations, including public sanitation, service, and food quality. Association committee members were selected by local villagers.*

CFMA basically assisted the TDC to look after the management of family hotels. It watched family hotels to ensure compliance with company rules. It was more like a department of the TDC but did not get involved in management directly related to family-hotel benefits, for instance tourist allotment. Therefore, the association had limited impact on local people's livelihoods.

Local people were not so negative about trust, an important social capital component. Similar to Yangzigou, there was competition for hosting tourists between family hotels. Some people's family hotel businesses were very good but some were not. People attributed the difference to geographical advantages rather than the trust among local villagers. As one family hotel owner in Xigou stated:

*Some can make more money because of a good geographical location. For some families, one family can build two family hotels. In the past, it was a lot if one can host 20 tourists at one time. Now, one tour bus can carry 40 to 50 tourists. Each of these families can host two tour buses at one time. How many tourists can I host? Now the gap is too big. Our geographical location is not good. If our family hotel were built in the centre of Chongdujie, I could host (so many tourists) as well.*

Basically, tourism had a slight negative influence on the trust among local people. Trust was still an important social capital element for family livelihoods in the village.

### 9.5.3 Economic capital

Economic capital was evaluated via income, employment, infrastructure, shelter and buildings, and tools and vehicles for a better livelihood.

Chongdugou was a very poor mountainous village before tourism. In 1999, the annual per capita cash income of each rural household was only 400 Yuan. Tourism significantly changed conditions for the poor and the annual per capita cash income of rural households reached 12,000 Yuan in 2006. As shown in Table 31, 43% of local people had an annual income over 3500 Yuan. However, it is noted that, still, 4% of the local villagers remained extremely poor and 21% poor. The poorest, according to the head of the village committee, were the aged that had lost their working ability, or the mentally disabled. The poor, although they were still poor, agreed that tourism was better than traditional crop cultivation. As some poor people in Xigou said:

*Overall tourism is better. Now we can survive without cultivating land. It is good. Besides, you did not see more than two persons in three or five days on our mountain in the past. Now there are a lot of persons on the road. It's a good impact.*

*Generally speaking, tourism is better than crop cultivation. You farm on the land just for food. No matter how hard you work, maximum output was two or three thousand Yuan. That was with good conditions. Crop cultivation here heavily relies on whether. In case of bad weather, you may reap nothing, if there is drought or flood.*

*I no longer need to go up to the mountain to dig land and work hard. Now (I) live on the street selling local specialities and can earn 10-odd Yuan every day. This income is just enough for food. I only can compare with myself and cannot compare with others. But it's overall better than the past.*

**Table 31. Per capita cash income of Chongdugou in 2006 (n=121)**

Income breakdown (Yuan)	0-500	501-1500	1501-3500	3501 and over
Frequency (%)	4.13	20.66	32.23	42.98

Tourism has greatly developed the Chongdugou economy. However, the gap between poor and rich increasingly widened and this has led to many people's worry and discontent, especially the poor's. According to two poor villagers:

*The main issue is imbalance. The richer, the more money the rich can earn. The poorer, the less money the poor can earn. In the future, the fact will be that the poor become the poorer and the rich become the richer. Although this phenomenon can exist anytime in any era, it is much worse now. Some people earn too much.*

*The village development is unbalanced. Why? Because geographical locations are different so income is different. Here (Chongdujie), people will have more income. But people in Xiagou and Xigou will have less income. This is geographical location. You have nothing to do with it. Tourists don't want to live in Chongdujie onwards.*

Chongdugou is now totally a tourism village. Almost all employment is generated and created by tourism. First, 50 local people were employed by the TDC as full-time cleaners in 2006, and, also employed 50 sedan-chair lifters from the village in peak seasons. Cleaners were normally the aged and the poor with less professional skills. They were paid a monthly wage of 360 Yuan. Some villagers believed that the wage was too little. But according to the manager of the Marketing Department of the TDC, the wage was enough for them to survive. It was hardly possible for them to find better work because of a lack of professional skills and techniques. In addition, another 10-odd local people worked in the TDC as receptionist, administrator, gate guard and others.

Second, running family hotels was the main form of employment in the village. By the end of 2006, there were 328 family hotels and more than 10,000 beds in Chongdugou. In a family hotel, generally, all family members are employed in the family hotel business in peak seasons. However, for many family hotels, family members were not enough and they needed to hire 1 to 10 persons from Chongdugou or outside. According to the head of the village committee, approximately 2000 persons were employed by family hotels in peak seasons. Third, street stall selling of local specialities was another important form of self-employment. As the manager of the Marketing Department of the TDC said, people cannot set up street stalls without permission from the TDC. Permission for street stall selling was firstly given to the villagers who did not run family hotels. Other self-employment included bamboo handicraft-making, tofu-making, and steamed-bread-making, and so on. In off-peak seasons, labour migration was still some families' main income source.

For family hotel businesses, houses became the most important livelihood tools. In the first couple of years, most family hotels were old single-storey clay or brick houses. With tourism development, most of the family hotels were rebuilt to attract more tourists. To avoid competition among local people and in order to present a good image of Chongdugou "happy-in-farmhouse" agritourism, the TDC had a restriction on the size and shape of family hotels. All family hotels should have a tile roof and should not

exceed two stories. Some families, however, did not comply with the rule and built three-storey more buildings because of their special relations with people who have more power (see Plate 18). This resulted in disharmony in the village. Overall, the number of clay houses gradually went down. By the end of 2006, only 8.1% of houses were made of clay. More than 60% were two-storey more buildings (see Table 32).

**Table 32. House types in Chongdugou (n=121)**

Single-storey clay house (%)	Single-storey brick house (%)	Two-storey building (%)	Three-storey more building (%)	Others (%)
8.10	29.09	60.33	1.65	0.83

On the one hand, houses were important livelihood tools. On the other hand, however, it cost a lot for local people to maintain and upgrade their family hotels. As one family hotel owner complained:

*In the past, family hotel was just clay house. If you kept room clean, tourists would come to stay. Look at what it is now! Toilets, mattresses, showers, all rooms need to be equipped. Damn, I cannot catch up with it. To give an example, I earn 10,000 Yuan this year but need to invest it all in family hotel maintenance and upgrade.*

Passenger-tricars was another important livelihood tool for some families when the old TDC was in charge of Chongdugou tourism. However, the new TDC banned individual passenger-tricar operation because of tourism's image and management. Local villagers had conflicts with the new TDC. As recorded in my research notes:

*Pang was around 40 years old. He used to make a living on carrying tourists using his tricar. After the new TDC took over, tourist-carrying by tricar was prohibited by the company. Pang's family lost their income source. Pang tried to carry on his business, but was caught by the TDC and his tricar was seized. Pang wanted to have his tricar back and scolded the company. He was punched and was cuffed to Tantou town police station. After Pang was released from the police, he felt very humiliated and became very depressed.*

About 10 families bought cars or vans. More than two-thirds of families had motorbikes. The vehicles were used for the purpose of family use rather than commercial use.

Infrastructure in Chongdugou has greatly improved because of tourism. As stated in the section on tourism context, the main 8 km long road from the entrance to Chongdugou, Xigou and Nangou were upgraded from a meandering clay footpath to an eight-metre wide concrete road for developing tourism. With tourism development, all streets in the

village were paved with concrete or bricks by the old TDC or new TDC. Before tourism, local people had to lift drinking water from the village streams. The TDC and the village committee gradually installed tap water for each family. In terms of telecommunication, the two main Chinese mobile phone suppliers built two mobile phone transmitters in the village. China Mobile even opened a service branch in Chongdugou in 2005. By the end of 2006, more than 95% of families installed a landline phone and bought a mobile phone. All families installed cable TV.

Overall, tourism changed Chongdugou economically, from a very poor mountainous village to a nationally well-known tourist destination. The head of the village committee commented:

*To be honest, it is because of tourism development that Chongdugou people have transformed their lives. In other words, Chongdugou would never be developed as it is today if there was not tourism.*

#### **9.5.4 Natural capital**

The main natural capital in Chongdugou is arable land and mountain forest land. On average, each villager has 0.012 ha arable land and 1.9 ha mountain forest land. All land belongs to the collectives. Local people were not allowed to sublet or sell land. Only the collectives (the village committee or the head of a sub-village) have the right to do this on behalf of individual families. Local people used to live directly on local natural resources, like cutting down trees for firewood, selling bamboo, growing fruit trees (e.g., *Cornus chinensis*, walnuts, chestnuts, persimmons) on their mountain forest land and Chinese mushrooms on cut-down trees. Tourism, however, totally changed this situation. According to Haiming Ma (2003), once he got the idea of developing Chongdugou tourism in 1996, he made a regulation in the name of Tantou township government to prohibit local people from cutting down trees and destroying flora on the surrounding mountain to protect the local natural environment.

The development of tourism has occupied some families' arable land, private trees and bamboo. Most of the occupation (e.g., road and car parking construction) happened before the official opening of tourism. At that time, the village committee was the de facto cofounder of Chongdugou tourism. The village committee members liaised with the families to give up their land where land needed to be taken up, but gave the families little

compensation. As a good road would benefit the whole village and was something local people had dreamed for, land occupation for road construction did not encounter much resistance from local people. However, some families did not concede at first. One villager even held an axe and intimidated the manager of the old TDC in order to protect his family's bamboo land from which his family income mainly came. This was just a brief episode during tourism development. The village committee appeased the villager by reiterating the benefits tourism would bring to local people and similar conflicts no longer happened.

After tourism, crop cultivation was prohibited by the TDC because of its discord with the surrounding scenery, but vegetables were allowed to be grown to cater for tourist demands. Villagers were encouraged to plant trees and bamboo as a tourism selling point. The cutting of trees was totally prohibited, even trees belonging to individuals. Many local people showed their understanding of the changes on crop cultivation. As one villager said:

*If you dig land, it will affect tourism. Why can other places plant crops but we cannot? All visible land cultivation beside the road was prohibited. Why? Once you plant, vegetation will not be well and rainwater (flow from the mountain) becomes bigger in the rain season. You can see that on all roadside land we were not allowed to plant crops. Now I can't raise any livestock. Pigs were not allowed to be fed and sheep were not allowed to be fed because of the stinky smell and they are worried about the effect on public sanitation.*

According to interviewees, another reason was that few people enjoying the physical labour work of crop cultivation and wild animals were a threat to crops as well:

*Normally, to be able to survive, villagers don't want to go up to the mountain to dig land. If one can earn 30-odd Yuan one day, he/she will not want to cultivate land. Land cultivation is not like in the past when all villagers did it. Now if you plant some maize, all will be eaten out by wild pigs. It's just a waste.*

*Other people no longer plant crops. If only I plant, it is even not enough for wild pig to eat and destroy.*

Besides the access to individual natural resources, local people's access to public natural resources was also affected by tourism. With tourism development, not only the flora but also all the natural environment was protected by the TDC. Villagers could not freely use stream water for irrigation as before. Using boulders and sand from the village

streams for construction materials was also prohibited. Compared with Guanxing and Yangzigou, Chongdugou was more commercialised. Roadside crops can hardly be seen. Economic trees were used for recreational purposes rather than a family livelihood. Local people cared little if tourists were caught picking up fruit like persimmon or walnuts. Therefore, tourists did not negatively affect local people's natural capital. Rather, tourists' arrival brought Chongdugou villagers more livelihood opportunities.

#### ***9.5.5 Institutional capital***

As for Guanxing and Yangzigou, the newly introduced institutional capital was examined through local people's access to tourist markets, tourism benefits sharing, access and participation in the policy-making process, and the extent that people's willingness is reflected in political decisions to achieve better livelihood outcomes.

With Chongdugou "happy-in-farmhouse" agritourism, family hotels became an indispensable part of the tourist attractions. Therefore, local people had been encouraged to participate in tourism by developing family hotels. As seen in the section on tourism context, it took Haiming Ma, the initiator of Chongdugou tourism, much time and work to persuade local people to develop family hotels. People who could not develop family hotels were allowed to set up street stalls to sell local specialities, handicrafts, and tourism souvenirs at certain designated locations. The TDC made rules on family hotels and street stall selling to prevent competition among family hotels and stall sellers rather than to set barriers for local people. Carrying tourists in tricars used to be a few families' main livelihood source but was forbidden by the new TDC so as to improve the Chongdugou tourism image. Few families were affected. Family hotels developed rapidly. By the end of 2006, nearly 92% of local families developed family hotels and the family hotel business had become the most important family livelihood activity. Accordingly, it can be said that local people have nearly full access to the tourist market.

Tourism benefit sharing used to be a big issue with the old TDC. The old TDC made profits by charging tourist entry fees and car parking fees. According to the former head of the village committee, before the official opening of Chongdugou tourism, the village committee proposed to take 40% of the TDC's income and Tantou township government would take the other 60%. However this proposal was refused by the township government. The former mayor of Tantou town convened all village committee

members and forced them to sign an agreement on behalf of all villagers. In light of the agreement, the old TDC would give an annual payment of 15,000 Yuan to the village in the first five years. The payment would increase to 30,000 Yuan per year in the second five years. However, the old TDC only gave the village a one-off payment of 40,000 Yuan and never paid any more. In addition, family hotels were charged an administration fee by the old TDC of 2 Yuan per tourist hosted per day. Villagers felt unfairly treated and believed that the administrative fee should be cancelled as the TDC used local people's resources to make profits. The villagers thought that the TDC should share more economic benefits with local people. In 2002, villagers in Nangou sued the old TDC for more economic profit sharing but failed. Relations between the old TDC and local people worsened and conflicts occurred. This was also one of reasons which drove the Tantou township government to sell the government-controlled Chongdugou tourism to private investors.

With the new TDC, the situation improved and local people felt more satisfied than with the old TDC. After taking over, the new TDC cancelled the disputed administrative fee. In accordance with the agreement between the new TDC and the village committee, the new TDC annually gave the village 50,000 Yuan as compensation for land occupancy. This sum of money was directly distributed to individual families by the village committee. As aforementioned, the village committee was paid 1.2 million Yuan on behalf of all villagers by the new TDC. However, the village committee did not distribute the money to individual families. Rather, the money was used for public facilities and collective income. According to the deputy head of the village committee, 0.4 million Yuan was used on the tap water project for two sub-villages; 0.2 million was used to purchase eight electric tourist carts to make collective income; the remainder was used on paving streets and purchasing a recreational float boat for collective income. At the end of each year, the village committee gave New Year welfare of 60 Yuan to each villager older than 60. In addition to the land compensation, this was a significant income to some families especially the poorer and the poorest. However, some people thought that the compensation was not enough and they were not satisfied. As one family hotel owner in Nangou criticised:

*Something should be paid, for land occupancy, road occupancy. But the new TDC always thought that they came to invest to develop tourism. Local villagers were bound to be cooperative. But I think it is two things. Cooperation is cooperation. It's different. If tourism will not work in the*

*future, what can local villagers live on? They should give us more compensation.*

During the time the old TDC was in charge of Chongdugou tourism, all tourism administration and management was controlled by the TDC. It made rules without any consultation with local people. The village committee was nominally a partner of the township government, but it did not hold substantial power and could not make a voice on behalf of all villagers in the decision-making process in the old TDC. For example, the administration fee used to be 1.8 Yuan per tourist per day. In August 2003, the township government announced an increase to the administration fee from 1.8 Yuan to 2 Yuan without consulting local people, which led to intense confrontation between local people and the old TDC. After the private investors took over the TDC, the administration fee charge was cancelled. Allied to the timely payment of land occupancy compensation, the tension between the TDC and local people was somewhat reduced. But still, tourism rules and regulations were made totally by the new TDC. Local people hardly have any access to participation in the decision-making process. During the interviews, two issues were frequently mentioned by local people. One was the increase in price of entry tickets and the other was that any tourist who wants to enter the village needs to buy entry tickets. The two rules were made without consulting local people. It resulted in a negative impact on family hotels' business and led to discontent among local people. As one former head of Nangou complained:

*The TDC always thinks about its own benefits. If the entry fee increased, tourist arrivals must decrease. Once tourist arrivals become less, villagers' income will be definitely influenced. For example, two tourists come at the price of 30 Yuan and family hotels can host two tourists. If one tourist comes at the price of 60 Yuan, the TDC will not earn less money but local people's income will be influenced. What's more, now local people's relatives and friends are not allowed to enter our village. For example, we were good friends. You come and you've visited the scenic areas. But the TDC doesn't let you come in. Will I feel good?! Because of these, conflicts come out. Now tourists are not allowed to come into the village without buying entry tickets. If tourists cannot come, local people's income will decrease. The decrease of income must lead to conflicts. Chongdugou is different from other scenic areas. Taking Cockscomb Cave as an example, nobody will care even if the entry ticket rises up to 10,000 Yuan. But here we have villagers. You need to care about local villagers' benefits. If local villagers' benefits are not a concern, tourism will not work out some day.*

Clearly, participation in the decision-making process can markedly influence local people's livelihoods. Although there was a family hotel association as aforementioned, the association was led by the TDC. Its role was generally to carry out the new TDC's

regulations but not to make decisions in association with the company. Therefore, community participation in Chongdugou was basically manipulative or passive participation.

The attitude towards participation in the decision-making processes varied. The TDC did not want to share its power with local people. The village committee, however, did not encourage local people's participation in the decision-making processes. As a family hotel owner stated:

*Community participation? I never thought about it. Government never encouraged it. What is government? Government does not speak for our villagers.*

Local people's opinion regarding community participation was also not unanimous. Some villagers expressed their strong willingness but felt frustrated due to the lack of access to participation in the decision-making process. Some were not interested because of not being confident of their participation capability. As stated by a local villager:

*I have no money and am not intelligent. I never thought of (participation in the decision-making process). But I think that it (participation) only has benefits and no disadvantages. If an individual is intelligent and can make rational suggestions, the TDC will take it.*

In sum, there was no problem for local people to access the tourist market. Although villagers still felt that economic benefit sharing between the TDC and local people was not fair, the situation had improved over recent years. Local people could hardly access the decision-making process or say anything to influence the TDC on tourism rules and regulations. However, from interviews, local people became more aware of their rights and participation in political governance and tourism management.

## **9.6 Horizontal institutional arrangements**

The horizontal institutional arrangements in Chongdugou changed much with tourism development. When the old TDC was in charge of Chongdugou tourism, the TDC was actually government-controlled-and-managed. Tantou township government then became the de facto operator of Chongdugou tourism. It directly managed the village and a conflict of interest emerged between local people and the township government. The TDC took advantage of its power to maximise its own benefits but sometimes sacrificed

local people's benefits. Administratively, Tantou township government is superior to the village committee. The government had the power to decide who the village committee members can be. Therefore, the village committee became, in one sense, the mouthpiece of the township government. The role of the Chongdugou village committee was marginalised. When conflicts happened, the village committee could hardly push for the rights of local people.

After the new TDC took over, the township government stepped out of the Chongdugou tourism operation. Direct conflict of interest between local people and the township government basically disappeared. In this context, the township government and the village committee started to play the role of the mediator when conflicts emerged between local people and the new TDC. The new TDC took over the right of self-management and became the 'boss' of Chongdugou tourism. Local people had to comply with all the new company's rules and regulations. However, the company had no right of law-enforcement. Therefore, the TDC had to maintain good relations with local government and seek governments' support. As the manager of the Marketing Department of the new company stated:

*Things were not like before. If one villager wants to build a house, you cannot stop them. To a certain extent, you must take the ways that governments usually take. But you were a private company and you do not have the right of law-enforcement. That's why the new company invited a law-enforcement squad (to quarter at the village). You were a company. You can only try to persuade local people. If they don't follow you, you do not have the right to force them to comply with you. When dealing with villagers, one thought is that he (the company manager) does not have foresight. He just looks at issues from his own perspective. He never thinks about the overall situation.*

In fact in the first months after the change of the management system of the TDC, the new TDC was coercive when facing conflicts with local people. It either seized villagers who were not cooperative or called police to come to intimidate them. This led to antagonism among some villagers. As one villager who had a conflict with the new TDC said:

*Our village is just a colony. They (the new TDC) can liberally seize our villagers. Once you were seized, there is nothing you can do. You cannot win if you sue them in the court under the county level. The police station stands on their side. Once conflicts happen, police will come and take you away in police cars.*

Antagonism of local people caused negative impacts on the running of the new TDC. The new TDC changed strategy when facing conflicts with local villagers. In case villagers did not comply with the company rules or regulations, the company requests the village committee and relevant county or township government departments to directly sort out the potential conflict. Then the conflict foci would not be on the TDC. Below is the summary of a skirmish I observed:

*A villager in Xiagou demolished his old house and intended to build a new house as a family hotel. But the TDC did not want the construction to be carried out as it did not comply with the company's developmental planning. The TDC requested the village committee and Luanchuan County Construction Bureau (LCCB) to stop the construction as the villager did not get permission from LCCB. Plate 19 was taken at the time when the staff of LCCB and the village committee members warned the villager to stop the construction. Otherwise his new house would be demolished by force.*



**Plate 19: Quarrel at site of family hotel construction**

In terms of tourists, they were the customers of local people. Tourists did not just simply buy goods or services from local people. As discussed earlier, they became the main livelihood source for most local families. Besides the profound economic impact, tourists also brought both negative and positive impacts on local people's social, natural and human capital. Therefore, it can be seen that the new TDC became the de facto ruler of the village. The village committee mediated the conflicts between local people and the

TDC but very often it found in favour of the TDC. Tourists were not only customers of the TDC. In a greater sense, they became the foremost and direct economic source of the whole village.

Regarding formal and informal rule changes, it was apparently different from that before tourism. The TDC and local families formed a special relationship. The whole village was like a big company with the new TDC as the boss. The TDC made rules and regulations. All people who were engaged in tourism needed to comply with the rules and regulations. For example the “Family Hotel Management Regulation” regulated the family hotel daily rate, service quality, safety, registration, tourists’ complaints, sanitation, certification, and family hotel meeting. Informally, with tourism development, every family hotel tried to maximise its own economic benefit by hosting more tourists. The fact was that the TDC was in charge of tourist allotment. Some villagers bribed the company staff in order to get a greater tourist allotment. During the time of the old TDC, this phenomenon was rife. After the private investors took over the TDC, the situation improved. Local people were more inclined to attribute the unbalanced tourist allotment to geographical advantages rather than bribery of the TDC staff. Anyway, unbalanced tourist allotment generally favoured the better-off and local elites. The consequence was that the gap between rich and poor widened although all households became economically better than prior to tourism. The increasingly widened gap between rich and poor had become a significant social issue. Nearly all interviewees expressed their strong concerns about this issue. Overall, the changes to local horizontal institutional arrangements dramatically affected local family livelihood strategies and livelihood outcomes. Local people adopted diverse family livelihood activities to adapt to and cope with these changes.

## **9.7 Vulnerability**

From interviews, the livelihood vulnerability was firstly tourism itself. Now, nearly all Chongdugou families live on tourism. The construction of road, car parking and some recreational programme took up much arable land and the land is no longer suitable to cultivate. If tourism fails, it would be very hard for local people to go back to traditional livelihoods of agriculture. As one aged poor couple in Xigou said:

*Wife: It would be great if tourism can develop forever. As you can imagine, all arable land is occupied. We have no land. So we must wish that tourism could develop more and more.*

*Husband: It would be good if tourism can develop for a long time. If tourism cannot work in the future, the land is paved with concrete and trees planted on the mountain will grow up to big trees. Can you cut down the trees? It's not possible. Now we mainly worry about this. Villagers in the village all worry about this. What can we do if tourism cannot work?*

Some people considered that tourism generated great economic benefit. Therefore, what they first worry about in terms of the livelihood vulnerability is tourism itself. The head and deputy head of the village committee had good family hotel businesses. Their points below stand for a group of villagers' opinion. These people were very often the better-off or with vested interests.

*The Head: (I) worry about what we can do if tourism will not work. Let's say, tourism did not occupy highland. The arable land was about one Fen (66.7 square meters) per capita. Even if tourism did not occupy one Fen of your land, can you live on the land? I can say now that the money I earned in one year can buy three years' food (harvested from the land). 10 years ago, I could harvest two seasons' grain. Overall output was about 2000 Jin (1000 kilograms). Our family had 6 Fen arable land and others were highland. The maximum output in the village was 3000 Jin. One Jin of grain was 0.6 or 0.7 Yuan. After calculating, it was less than 2000 Yuan. Like me developing family hotel, 10,000 Yuan earned in one year is enough to buy three years' grain.*

*The Deputy Head: Tourism and agriculture are two different concepts and are not comparable. Before you worked laboriously and just harvested 1000-odd Jin's wheat. Now with a family hotel, you can earn one or two thousand Yuan in one day. So the two are incomparable.*

Large-scale natural and human health shocks can devastate tourism but seldom happen. Local people worried little about them. As one family hotel owner stated:

*Tourism also has risks. But so long as there are no wars, large-scale natural disasters, tourism generally does not have risks after getting developed... Epidemics can be risky but natural disasters are generally ok. The visible risk is an epidemic.*

For small-scale natural disasters, local people worried more about rain and waterlogging than drought. As stated by some villagers:

*For tourism we worry about weather. Tourists will be less when it rains and you cannot earn money. We can earn more money when weather is fine.*

*For tourism, we worry about waterlogging but not drought. Once there is waterlogging, nobody comes. Say, we don't care how long it has been droughty for, 10 days, 15 days or 2 months, we don't care as we didn't plant crops. The hotter the weather is, the more tourists come and the better our businesses are.*

Chongdugou tourism greatly benefited from China's economic and tourism development trend. The rapid economic growth in the 1980s and 1990s generated enormous domestic tourism demand. Alternative tourism like ecotourism, and agritourism became increasingly popular in China. Eco-based Chongdugou agritourism catered for this trend and succeeded. Tourism seasonality is a vulnerability context markedly felt by local people. Tourism-based business was generally the summer business. In winter, most local families had no business. Some families managed to earn extra income by seeking short-term labouring work in mining factories in Luanchuan county or other ways. The majority, however, does nothing more than staying home for recreation, like playing poker. According to the former head of the village committee:

*Tourism business is just 6 months. No matter whether he did business or labouring work, the money earned is enough for his one year's use.*

From interviews, institutions became a significant livelihood vulnerability context in Chongdugou. The changes of institutional arrangements discussed earlier greatly influenced local families' livelihood outcomes. Many influences were negative, for example the increase of entry fee, no entry into the village for accommodation and food purpose only without purchasing entry tickets, and unbalanced tourist allotments. As the former deputy head of the village committee pointed out:

*One (vulnerability context) is that the government does not allow you (to develop family hotel) and set up barrier. The other is the TDC. An entry ticket was originally 20 Yuan, later increased to 30, 40 and will be 60 next year. I think that Chongdugou tourism should insist on low entry fees and let more tourists come. Then we can benefit more. There were 10-odd scenic areas similar to Chongdugou in Luanchuan county. Why will tourists come to see yours? That's because of your low entry fee. You raised entry ticket price and tourists became less. The TDC's income did not decrease but local people's income decreased.*

Tourism planning is another vulnerability context local people mentioned. Local people believed that a well constructed tourism plan can ensure the consistency of Chongdugou tourism development no matter whether the stockholder of the TDC changes or not. The former deputy head of the village committee was concerned and said:

*Now I feel that tourism will not develop well. Many attractions are destroyed. I so worry that the boss of the new TDC will leave after they make enough money. In case that happens, what can we do? A long-term tourism plan should be made and be adopted by the county and township governments. In the future, no matter who becomes the boss of the TDC, he needs to develop Chongdugou tourism in line with the plan, which will ensure the scenic area not to be destroyed by people.*

Overall, the vulnerability contexts discussed above not only affected local families' livelihoods, but also influenced the TDC. Therefore, the TDC and local people became, to a certain extent, a community of interest, especially on the aspect of tourism itself, shocks, trends and seasonality. In coping with the vulnerabilities, the TDC has invested much in tourism attractions and marketing to rejuvenate and extend the life cycle of Chongdugou tourism. Local people tried to improve their service quality to impress and satisfy tourists. The goals in common were to build Chongdugou into an attractive tourism destination and sustain tourism development for as long as possible. However, the vulnerability context of institutions was actually related to the intra-conflicts between the TDC and local people. As conflicts existed, a trade-off needed to be achieved. The fact was that communication and collaboration between the TDC and local people was poor. Therefore, improving community participation in the decision-making process might be an effective way to cope with the vulnerability of institutions.

## **9.8 Livelihood outcomes**

As with Guanxing and Yangzigou, livelihood outcomes were measured by asking 28 quantitative questions. Economic, social, environmental, institutional sustainability and overall outcomes were respectively examined.

### **9.8.1 Economic sustainability**

Economic dimensions of sustainability were generally positively evaluated (Table 33). The only item that received negative evaluation was Q12 with a mean score of 2.24, which indicates that tourism increased the price of local products and services, i.e., living costs rose. The highest mean score was Q13 (Mean=4.36), followed by Q9 (Mean=4.17), Q10 (Mean=4.17), and Q11 (Mean=4.13). All four questions scored higher than 4 and local people were therefore generally very positive about tourism's contribution to better infrastructure, more economic benefit, diverse family livelihoods and more job opportunities to local people. As indicated by Q16 (Mean=3.80) and Q14 (Mean=3.45),

tourism made it easier for local people to access valuable livelihood information and moderately improved educational and medical services. Q15 was just above the ‘no opinion’ with a mean score of 3.06, which implied that educational opportunities slightly increased.

**Table 33. Mean scores for economic sustainability of Chongdugou (n=121)**

Questions in economic dimension **	Mean	Std. Deviation
Q13. The region has better infrastructure (like roads, electricity, water, public transport) due to tourism.	4.36	0.50
Q9. Tourism brings more economic benefit to our family than existed before tourism.	4.17	0.78
Q10. Tourism diversified our family’s livelihood choice.	4.17	0.51
Q11. Tourism creates more job opportunities for us than were available prior to its development.	4.13	0.52
Q16. It’s easier to access information valuable to our livelihoods because of tourism development.	3.80	0.64
Q14. Education and medical services have become more available in general since the development of tourism.	3.45	0.64
Q15. I have more educational opportunities (like vocational training) due to tourism development.	3.06	0.92
Q12. The prices of local products (like food, medicine) and services (like educational services) have increased because of tourism development. *	2.24	0.57

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### **9.8.2 Social sustainability**

As illustrated in Table 34, Q23 received the highest mean score of 3.96. Local women’s status improved because of tourism. Q17 (Mean=3.77) and Q18 (Mean=3.41) were positively viewed, which meant that local people did not agree that tourism increased the level of criminality, alcoholism and vandalism and negatively influenced local norms and values. However, it is noted that respectively 21.5% and 26.5% of respondents held the opposite opinion regarding the two questions (see Appendix 3). Q19 (Mean=3.58) and Q24 (Mean=3.09) were positively viewed as well. It can be inferred that local traditions and culture remained important and local people had more recreational facilities built. Q20, Q21 and Q22 were negatively evaluated with mean scores of 2.72, 2.47 and 2.60, respectively. Tourism did not increase community solidarity. What is more, local people became less trusting. As a result of tourism development, local villagers felt bothered by immigrants to the village.

**Table 34. Mean scores for social sustainability of Chongdugou (n=121)**

Questions in social dimension **	Mean	Std. Deviation
Q23. Women's status improved after the arrival of tourism.	3.96	0.44
Q17. Tourism has increased the level of criminality, alcoholism, vandalism, etc. *	3.77	1.10
Q19. Local traditions and culture have become less important because of tourism. *	3.58	0.97
Q18. Tourism negatively influences norms and values in our area. *	3.41	1.00
Q24. Because of tourism we have more recreational facilities built for local residents.	3.09	0.95
Q20. Tourism has increased community solidarity.	2.72	0.80
Q22. People who have immigrated to our village from outside because of tourism bothered me. *	2.60	0.94
Q21. People have become less trusting since the launch of tourism. *	2.47	0.75

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### **9.8.3 Environmental sustainability**

In terms of environmental sustainability (see Table 35), Q25 (Mean=4.39), Q30 (Mean=4.31) and Q27 (Mean=4.24) were highly positively evaluated. Tourism greatly contributed to the attractions of Chongdugou landscape, the improvement of local people's environmental awareness and better waste management. Responses to Q28 (Mean=3.33) indicate that local people did not think that tourists disturbed local flora and fauna. Q26 scored above 'no opinion', which meant that local people disagree that tourism caused environmental pollution to Chongdugou. However, examining the distribution of responses in Appendix 3, 38.84% of respondents had the opposite opinion. Divergence existed among local people regarding this issue. The only response that received a negative evaluation was Q29 with a mean score of 2.17. Local people thought that the increasing exhaustion of water and energy resources was caused by tourist activities.

**Table 35. Mean scores for environmental sustainability of Chongdugou (n=121)**

Questions in environmental dimension**	Mean	Std. Deviation
Q25. Tourism development in the area makes the surrounding landscape more attractive.	4.39	0.69
Q30. As a result of tourism development, people's awareness of environmental protection improved.	4.31	0.53
Q27. Tourism contributes to better waste management in the region.	4.24	0.50
Q28. The number of visitors results in disturbance to plants and animals. *	3.33	0.90
Q26. Tourism causes pollution of the local environment (water, soil and air). *	3.11	1.01
Q29. Increasing exhaustion of water and energy resources was caused by tourist activities. *	2.17	0.62

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

#### **9.8.4 Institutional sustainability**

In Table 36, Q31 and Q36 both received positive evaluation with the same mean score of 3.21. Local people agreed that tourism improved local people's awareness of community participation in tourism management and administration and believed that economic benefit sharing was fair. Q32 received the lowest mean score of 1.81, which indicated that local government did not encourage local people to participate in the decision-making processes and political governance. Q33 (Mean=2.73), Q34 (Mean=2.23) and Q35 (Mean=2.70) were all moderately negatively viewed. Local people did not think that they can access the decision-making process and influence the village's tourism development. They also did not think that there was good communication and coordination among stakeholders in policy and decision-making process. But they do believe that unfair social phenomena increased since tourism development.

**Table 36. Mean scores for institutional sustainability of Chongdugou (n=121)**

Questions in institutional dimension**	Mean	Std. Deviation
Q31. Tourism development has made me more aware of opportunities to contribute to participation in management and governance.	3.21	0.93
Q36. Distribution of economic benefits generated by tourism is fair.	3.21	0.93
Q33. I feel I can access the decision-making process to influence tourism development in the district.	2.73	0.94
Q35. Unfair social phenomena have increased since the development of tourism. *	2.70	0.83
Q34. There is good communication and coordination among parties involved in the policy and decision making processes.	2.23	0.68
Q32. Participation in tourism decision-making and governance is encouraged by local authorities.	1.81	0.54

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### 9.8.5 Overall sustainability

As shown in Table 37, the economic, social, and environmental outcomes for sustainability were all positively viewed. Economic sustainability ranked first with an average mean score of 3.67, followed by environmental (Mean=3.59) and social sustainability (Mean=3.20). However, institutional sustainability was negatively evaluated and scored 2.65 on average. Table 38 shows the overall evaluation of tourism sustainability. It can be seen that local people generally held a positive view towards the tourism programme and were optimistic about overall sustainability. This is supported by the in-depth interviews. Interviewees all believed that the present life was much better than the past. The poor especially, although they were not satisfied with their income, still considered that tourism was better than the traditional livelihoods and did not want to go back to the past.

**Table 37. Overall mean scores for the four key aspects of tourism livelihood outcome sustainability of Chongdugou (n=121)**

Aspects	Economic	Social	Environmental	Institutional
Mean Likert score for questions	3.67	3.20	3.59	2.65

**Table 38. Mean scores for overall sustainability of Chongdugou (n=121)**

Overall**	Mean	Std. Deviation
Q37. Overall, I am satisfied with the tourism programme and I think it is sustainable according to its current development trend.	3.63	0.50

NOTE: \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

## 9.9 Chapter summary

This chapter examined the application of the SLFT to Chongdugou tourism, currently at the TALC stage of *rejuvenation*. Chongdugou tourism was basically initiated and firstly controlled by the local government. Later Chongdugou tourism was sold to, and controlled by, external investors. Chongdugou is now a nationally popular tourist destination. Nearly all local people got involved in tourism and nearly all family livelihoods were tourism-related. Tourism enormously improved local people's economic capital and greatly changed the livelihood assets of human, social, natural, and institutional capitals, both positively and negatively. The dramatic changes to local horizontal institutional arrangements have great influence on local family livelihoods. Still, tourism itself and institutions were considered by local people to be vulnerability

contexts. Besides shocks, trends and seasonality, tourism planning was also considered a vulnerability context by local people. Regarding livelihood outcomes, economic outcomes were more highly rated by local people. Environmental and social outcomes were rated positively as well. The institutional outcomes were negative. Overall, livelihood outcome sustainability was positively evaluated.

Overall then, putting Guanxing, Yangzigou, and Chongdugou together, it can be seen that the SLFT, a theoretical framework facilitating the understanding of the complexity of a tourist destination and addressing actual problems at the community level, can be applied to tourist destinations either at the Butler TALC stage of *involvement*, or *development*, or *rejuvenation*. The key SLFT elements and the elements' criteria can serve as references for the practical implementation of the SLFT. The discussion and integration of the three case studies will be further explored in the next chapter.

## **CHAPTER 10 INTEGRATION OF CASE STUDIES**

### **10.1 Introduction**

This chapter aims to integrate the findings from, and compare the SLFT's application in, Guanxing, Yangzigou and Chongdugou. Key elements of the SLFT, namely tourism contexts, livelihood activities, livelihood assets, institutional arrangements, vulnerability and livelihood outcomes, are examined respectively. A summary is provided at the end of the chapter.

### **10.2 Tourism context**

Prior to tourism, the three case villages were very similar in terms of geographical resources, development model and the extent of development. Guanxing tourism officially opened in 2006, with Yangzigou tourism in 2003 and Chongdugou tourism in 1999. In the case of Guanxing, three out of 14 sub-villages were involved in tourism. In Yangzigou and Chongdugou, all sub-villages were involved in tourism. In accordance with the extent of involvement measured as tourism's contribution to the village economy, it is estimated that, at the time of this research in 2006, tourism involvement in Guanxing was less than 10%, Yangzigou more than 85% and Chongdugou more than 95% of all the economy. Given its small scale and scope of tourism development, Guanxing can be taken as the control village or benchmark to examine whether tourism can be a better livelihood option than those traditionally based around agriculture, forestry etc and how tourism functions from a livelihood perspective.

For all three case study sites, there were some common characteristics of the tourism development contexts. First, the case study sites are all mountainous rural villages and tourist attractions are based mostly on the natural landscape. Second, tourism initiators are 'outsiders', either private investors or township-level government. An overarching tourism development company (TDC) was formed in each village by the initiators at the commencement of tourism development, and the TDCs controlled almost all tourism-related businesses (including pricing and marketing), management, and administration at the destination level. In the remainder of this research, tourism

companies are referred to as the overarching TDCs while at the micro level tourism enterprises are typically referred to as tourism businesses and family hotels. Third, the whole or parts of villages were enclosed in the designated scenic areas. Access to the villages and scenic areas is controlled at the entry via ticket. Most local families were involved in tourism to some extent by providing accommodation and services. Family hotels were only allowed to be developed by local people and were important tourist amenities as well as 'attractions'. Fourth, the tourist market was initially targeted at the economy market and later middle-and-high-end market. Tourists were all domestic in this context.

Examining the common characteristics, it can be seen that, first, the tourist market development strategy was crucial for ensuring local people's participation in tourism development. The 'economy' tourist market generally had low requirements for standards of accommodation and services which allowed local people to enter the tourist market at this level. Second, the family hotel became an indispensable part of the tourist product package, which ensured maximum access of local people to the tourist market. Third, tourism businesses (excluding family hotels at the individual household level) and management were operated by the TDCs, which resolved the issue of local people lacking funds to initiate tourism projects and lacking skills to run tourism businesses. Overall then, tourism in the three villages did not happen spontaneously. Rather, tourism was firstly developed, branded and sold to the domestic tourist market by the TDCs. In terms of Butler's TALC model, the tourism development process of the three villages was not fully consistent with the traits of each TALC stage. For example, local control has hardly changed and host-guest contacts remain high with tourism growth, regardless of TALC stage. Therefore, the judgement of which stage each village was at was mainly based on tourist arrivals and tourism receipts. Guanxing and Yangzigou were regarded as being at *involvement and development* stages of the TALC model, respectively. The situation of Chongdugou is more complex. Besides the criteria of 'tourist arrivals' and 'tourism receipts', other evaluation criteria (e.g., changes of tourism attractions and increasing new tourism facilities) were also used and Chongdugou was considered as being at the TALC stage of *rejuvenation* (See also page 185).

### **10.3 Local livelihood activities**

Owing to their similar geographical environments, local family livelihoods in the three villages were generally similar before tourism. People had traditionally survived on farm activities like grain and economic crop cultivation. Notwithstanding this, remittances from migrated labour were generally the principal family income source for most local families. Non-farm business and other income were also important to some families. The diverse livelihood activities were all exclusively non-tourism-related. After tourism, the livelihood portfolio changed greatly. It can be seen from previous chapters that with more advanced tourism, the less important farm activities are in a family income portfolio, and the bigger share of overall family income that family hotels account for. With the development of tourism, family hotels grew into the predominant family income source for most local families. Other livelihood activities, e.g., economic crop cultivation, street-stall-selling, full-or-part-time employment in the scenic areas, and handicraft-making, became major livelihood activities of many families and were tourism-related. Labour migration was still important to some families in the off-peak tourism season, especially to the poor who cannot afford to build family hotels. But, it is noted that one family was not exclusively linked to one livelihood activity. Rather, a family may be engaged in a family hotel business, vegetable-growing, street-stall-selling and other livelihood activities concurrently. All these livelihood activities were locally generated by tourism. Thus, tourism created significant opportunities for local people to diversify their family livelihoods.

### **10.4 Local livelihood assets**

Livelihood assets in the three villages are discussed below. Local people's perception of the importance of, and the satisfaction with, each livelihood asset is also analysed.

#### ***10.4.1 Human capital***

Educational level, literacy, life expectancy and adult mortality rate are long-term human capital indicators. Changes to these indicators were not significant owing to the short history of the three villages' tourism. Tourism, however, can directly or indirectly influence the village primary school education as indicated in Yangzigou where school

teachers were distracted by their family hotel businesses and Chongdugou where the new TDC paid all tuition fees for the village primary school students. Differences in the average percentage of family labour between the three villages were tested using the test of ANOVA. As shown in Table 39, Chongdugou achieved the highest percentage of family labour of 39%, followed by Yangzigou of 37% and Guanxing of 31%. Results suggested that there was a significant difference regarding the average percentage of family labour to family size between the three villages ( $F=8.009$ ,  $P<0.000$ ). Application of the Scheffe test (Table 40) confirmed that the difference existed between Guanxing and Chongdugou, which indicated that tourism significantly contributed to the increase of the percentage of family labour. This is suggested as being because of the increase of employment generated by tourism.

**Table 39. ANOVA results of the average percentage of family labour in the three villages**

Case study sites	Year started tourism	Percentage (%)	Std. Deviation	F	Sig. (P)
Guanxing (n=164)	2006	31	0.15	8.01	0.000
Yangzigou (n=59)	2003	37	0.21		
Chongdugou (n=121)	1999	39	0.20		

**Table 40. Scheffe test results of the difference between the average percentage of family labour in the three villages**

Percentage difference / Case study sites	Guanxing (n=164)	Yangzigou (n=59)	Chongdugou (n=121)
Guanxing (n=164)	0.00	-0.06	-0.08***
Yangzigou (n=59)	0.06	0.00	-0.02
Chongdugou (n=121)	0.08***	0.02	0.00

\*Significant at 0.05. \*\*Significant at 0.01. \*\*\*Significant at 0.001.

From interviews and supported by my observation, local people's expenditure on professional education and skill training related to family hotel businesses increased with tourism development. However, tourism did not directly stimulate local people to spend more on pursuing better health while indirectly benefiting local people's health by the improvement of infrastructure. In terms of information, local people did not purposefully spend on livelihood information. But the requirements of the family hotel business for telephone, mobile phone and cable TV had greatly facilitated local people to access livelihood information. Contact and interaction with tourists were also an effective approach for local people to obtain useful livelihood information. Therefore, it might be concluded that tourism increased local people's human capital, even in the short-term.

#### ***10.4.2 Social capital***

Indicators for social capital include crime rates, women's status, and social resources such as social networks and trust. Basically, tourism did not increase crime. Instead, local safety became better and local people felt more secure with tourism development. One reason might be because part of or the whole village was enclosed in the scenic area and access to the villages was watched by entry-gate guards. Objectively, it helped to prevent external criminals' entry into the villages. The other reason might be attributed to the employment and income generated by tourism. In rural China, very often, criminality is led to by poverty and lack of livelihood alternatives. In Guanxing, Yangzigou and Chongdugou, local people had more job opportunities and were busy in their work obtaining more family income. Criminality was even lessened as suggested by the interviews presented in the previous three chapters. The phenomena of alcoholism and violence increased after tourism. However, it cannot be observed that there were necessarily relationships between the increase and the length of tourism development history. The occurrence of alcoholism and violence were more likely incidental affairs.

According to interviewees, tourism undoubtedly improved local women's status. In rural China, criteria for judging women's status are to see whether women can earn money and be counted as labour and to see whether women can have a voice in determining family livelihoods (Rahman, 1995; Hare, 1999). Tourism is basically a service-based industry and occurs at the host destination. This created many job opportunities suitable for women. Especially at family hotels, women can work at home and take charge of the family economy. As demonstrated by the interviews, tourism has changed the housewife role that women used to play and greatly improved women's social and economic status.

As for social resources, neighbours, relatives and friends are important social network resources. With tourism development, these networks remained important in local people's livelihoods although people report becoming apathetic and more materialistic. It is also noted that, along with tourism development, local people's social network extended to tourists. Some local people made friends with tourists through accommodation and service provision. These tourists can sometimes provide useful livelihood information and have an impact on people's livelihoods. Especially in off-peak seasons, for example, tourists introduce short-term employment opportunities to some

local people to help their family income in this time slot. However, the change of the role of the village committees, a traditionally important social resource, varied. The village committee of Guanxing was not directly involved in tourism development. Its influence on local people's livelihood was not as significant as before the advent of tourism development. In Yangzigou, as all the village committee members were engaged in family hotels, the village committee often stood on the side of the local people, especially when conflicts of interest happened between the TDC and local people. The village committee can speak to local people's advantage but the voice might not be so strong and influential. In the case of Chongdugou, the village committee was one of tourism initiators. Relatively, it had more power to affect tourism development. Local people can possibly rely on the village committee when there were conflicts between local people and the TDC. But the village committee members all too often stood on the opposite side to local people. It can be seen that the change of the village committees' role was context-sensitive and there was not necessarily a relationship between the change and tourism development. Tourism had negative impacts on local people's norms and values, such as bribery, and local people became more materially-oriented. These impacts might have an indirect influence on trust among local people, but from interviews, there was little affect on trust.

In sum, tourism contributed to the improvement of social capital. Although there were some negative impacts on local norms and values, the negative impacts are not exclusive to tourism. The impacts can happen to any development industry and are more likely a consequence of economic development.

#### ***10.4.3 Economic capital***

The most significant changes brought by tourism to local people are economic benefits. Prior to tourism, economic conditions of the three villages were basically the same. The annual per capita cash income of a rural household was around 500 Yuan. The situation of Guanxing was slightly better due to its geographical advantage of being closer to Luanchuan county city. But after tourism, local people's income grew rapidly and there was a marked difference in the annual per capita cash income between the three villages. As the head of Guanxing village committee enviably said:

*Chongdugou was poorer than us in the past. In terms of income, we were not too bad in the last several years. At least we can cut down firewood or other things from surrounding mountains. We could plant Chinese herbs and had more or less income years before the NFPC project. The place of Chongdugou had nothing and villagers were just able to plant rhizoma gastrodiae or something like that in the past. They were very poor. Traffic was terrible and there was no road in the valley. But after tourism, look at people there now; anyway, I think that 60 or 70 percent (of Chongdugou families) have storied-buildings. Yangzigou's situation was not good either. But its villagers now are rich.*

Table 41 also shows the difference in local people's income between the three villages. It can be seen that the longer the period of tourism development, the lower the percentage of poor people and the higher the percentage of the better-off. Chi-square testing confirmed that the relationship between the case study sites and local people's income was significant at the 0.1 percent level ( $\chi^2=77.96$ , 4 DF). It is noted here that the poorest those with incomes less than 500 Yuan were not separated out in the table because their numbers were not sufficient to perform the Chi-square test. Instead, the income breakdowns of 'less than 500' and '500-1500' were combined as the category of '0-1500'.

**Table 41. Chi-square test results of income breakdown of the three villages**

Case study sites \ Income breakdown (Yuan)	Year started tourism	0-1500 (%)	1501-3500 (%)	3501 and over (%)
Guanxing (n=164)	2006	69.5%	24.4%	6.1%
Yangzigou (n=59)	2003	33.9%	39.0%	27.1%
Chongdugou (n=121)	1999	24.8%	32.2%	43.0%

$\chi^2=77.958$  DF=4, significant at the 0.001 level

As observed, tourism greatly contributed to the improvement of employment, houses, and infrastructure. With tourism development, local livelihoods, at the individual household levels, have become more diverse and more and more local people were involved in tourism as employees or self-employed (e.g., family hotel, street stall selling, handicraft-making, sedan-chair lifter, porter, employed by the TDCs and family hotels). Houses were upgraded or built as family hotels and became an important livelihood tool. But as noted in section 11.2.5 of Chapter 11, at the community level, they are in fact less diverse. This needs consideration and was considered further in terms of vulnerability assessment. Tourism also improved local infrastructure, such as roading, tap water, telecommunications, and drinking water, which benefited almost all local people no matter whether or not they were engaged in tourism. Financial resources became more

available because of tourism. It became easier for local people to borrow from rural credit cooperatives. Although loan interest put an extra burden on the borrowers, most were optimistic and believed that they would soon pay off their debts if tourism develops well. Overall, tourism markedly boosted economic capital, not only for the local elites and the better-off but also the poor.

#### ***10.4.4 Natural capital***

Prior to tourism, natural resources in the three villages mainly referred to arable land and mountain forest land of which local people only had the use but not the ownership. Local people lived by crop cultivation on quite limited arable land and cutting down trees or bamboo for income on mountain forest land. Productivity of the natural-resource-based activities was low and could only support a mainly subsistence economy. It was not possible for local people to become wealthy on the basis of such limited land. After tourism, grain crop cultivation and the cutting-down of trees were prohibited and access to public natural resources was restricted in order to retain the primitive feel of the local natural environment. This greatly affected local people's use of natural resources. It seems that local people's natural capital was damaged at least from the perspective of use.

From the perspective of tourism, however, local natural resources became tourist attractions, and because of tourists, local people were able to generate greater economic benefits from tourism than from traditional livelihoods. The local natural environment became public natural resources and everyone had access to it. In this sense, it can be understood that tourism did not actually compromise local people's natural capital. Rather, the use of natural resources was changed. In addition, local people were allowed to grow vegetables and plant fruit and *Cornus* trees to cater for tourists. Because of high tourist demand for these products, arable land generated more value than before the introduction of tourism.

It is also noteworthy that the poor and the aged were very often the group most lacking in skills. They did not show adaptability as well as others in the face of the transformation from traditional agriculture to tourism. While reluctant to give up their traditional land use at first, they changed gradually to live on tourism through physical work, for example, lifting sedan-chairs, delivering goods up the mountain, acting as cleaners employed by the TDCs, and even picking up beverage cans and bottles. These

people could not make as much income as people who were engaged in family hotels or street stall selling. But when asked to compare current living conditions with those before tourism, interviewees were more satisfied with the present. With the compensation for their occupied land and the dividend from the collectives, they too now have more income. Therefore, it might be concluded, overall, that tourism did not negatively affect local natural capital. Instead, local people benefited from the change of the use of natural resources.

#### ***10.4.5 Institutional capital***

Guanxing, Yangzigou and Chongdugou have similar models of tourism development. This development model integrated the whole villages into the package of tourism products and, therefore, institutionally ensured local people's involvement in tourism. Local people were encouraged to be involved in tourism by providing accommodation and services. The priority of selling tourism-related goods (e.g., souvenirs and local specialities) and the priority of taking tourism-related employment (e.g., cleaner, porter, sedan-chair lifter) were given to local people. Therefore, the tourism development model was designed to ensure local people's maximum access to the tourist market. The forms of tourism benefit-sharing in the three villages were similar also. The TDCs made profits mainly by charging tourist entry fees to the villages and scenic areas, and by running some recreational programmes. They also invested in local infrastructure and on tourism promotion. Local people generated income mainly by providing accommodation and services, selling tourism souvenirs and local specialities, and other employment. In addition, the TDC in each village had an agreement with the village committee and shared certain amount of its profits with local people. The sharing was either in the form of direct payments or payment as collective welfare such as local student tuition fees. The amount and the form of payment were subject to negotiation between the companies and the village committees. Apparently, benefit-sharing was related to how well each village's tourism developed. At present, people in Chongdugou received more shared benefits than people in Yangzigou and Guanxing.

Regarding access and participation in the policy-making process, and the extent that people's willingness is reflected in political decisions to achieve better livelihood outcomes, situations in the three villages were similar. In each village, the TDC is in charge of all tourism-related administration and management. All decisions and rules

were made by the TDC with little consultation with local people, for example family hotel administration fees, raising of entry ticket fee, tourist regulations, and granting entry admission into the villages. These regulations directly and negatively affected local people's livelihoods and led to strong discontent, especially for the people in Yangzigou and Chongdugou. However, local people cannot change this situation as they had no access to, and could not participate in, decision-making processes. Their values and ideas could not be integrated into the rules and regulations made by the TDCs. In Yangzigou and Chongdugou, there was a family hotel association in each village in which local people were able to participate. However, the family hotel associations were both initiated and operated by the TDCs. Local people could only minimally influence the TDCs' decisions through participation in the associations. Participation was seen as tokenism or manipulative participation under Arnstein's (1969) framework. When encountering conflicts of interest with the TDCs, local people may seek assistance from the village committees. However, as noted in the earlier three result chapters, the village committees either stood on the side of the TDCs or had limited power to influence the TDCs. A key question is to what extent the village committees can actually help local people.

On the whole, institutional capital can greatly affect local people's livelihood outcomes and is an important livelihood asset in a tourism livelihood system. From the three case studies, it is clear that to some extent local people have full access to the tourist markets and can share tourism benefits to a certain extent. But local people cannot participate in, or have influence on, tourism decision-making processes for better livelihood outcomes. Therefore, it is hard to make an overall judgement of whether tourism increased local people's institutional capital or not. But the fact is that local people's awareness of participation in decision-making was improved.

## **10.5 Institutional arrangements**

Vertically, governments, tourism sectors and policies at the national and provincial level have long-term and indirect impacts on tourism development at the village level. Before 1980, tourism in China served a political purpose and it was not possible to develop rural tourism at the local level. As discussed in Chapter 6, China's governments have played a very important role in the rapid tourism growth during the last three decades. It is the driving force of China's tourism development. Pro-tourism policies at

the national and provincial level motivated both the public sector and private investors to invest in the tourism industry. This boosted tourism development in rural areas. Guanxing, Yangzigou and Chongdugou tourism have benefited from this development trend. The government and tourism sectors at the prefecture-city level may make some suggestions and provide advice on local tourism development, but have limited substantial influence on tourism at the village level. Here, the government and tourism sectors at the county level play a more direct role in the three villages' tourism development. The Luanchuan county government improved local public infrastructure and made specific pro-tourism policies including tax policies to attract private investment into tourism. The county government also developed tourism promotion plans and organised a series of influential events to promote Luanchuan tourism nationwide. The promotion needed enormous human and financial resources and can less likely be carried out by one sector or one company. Guanxing, Yangzigou and Chongdugou tourism all greatly benefited from these county government efforts. In addition, the county government can directly intervene in tourism operations at the village level. For example, change in the TDC owner in Chongdugou in 2004 was mediated and coordinated by the county government. The township government can also play an active role in the village tourism development as exemplified by Chongdugou. But governments at the township level normally do not have broad influence on village tourism development due to limited financial resources and political power. Very often, governments at the county level comply with the principles and spirits of tourism policies at the national, provincial and prefecture-city level, and make more specific tourism policies based on local actual situations. It can be seen that tourism policy development is most influential at the county level.

Horizontally, tourism development brought TDCs and tourists to the three villages and greatly changed the institutional arrangements at the village level. For the three villages, tourists were all domestic and had similar demographic characteristics. Tourists' impact on local people's livelihoods was basically the same. Positive impacts were much more than negative impacts. When comparing the three village committees, Guanxing village committee members were mostly not engaged in tourism. Their livelihood benefits were not directly related to tourism and conflicts of interest between them and the company were few. Therefore, its role in tourism development was more like a mediator and facilitator. Most Yangzigou village committee members got involved in tourism and

they expected well-developed tourism. Besides the role of mediator and facilitator, the village committee was expected to be independent and to play a strong role in the village tourism management and administration. But the village tourism was controlled by the TDC and the village committee could only marginally influence the TDC's decision-making. The situation of Chongdugou differs from the other two villages. Chongdugou village committee not only played the role of mediator and facilitator, but also was the tourism initiator. Therefore, it could possibly make its presence felt in the decision-making process, especially after the establishment of a new TDC. However, some of the village committee members had commercial interests with the TDC. When facing conflicts between local villagers and the TDC, the evidence suggests that it may stand on the side of the TDC.

The TDCs had profound influence on local people's livelihoods. They were owned and controlled by external investors or local government and played similar roles in the three villages. The companies in the three villages were the tourism initiators and were in charge of tourism administration and management. It was the TDCs that brought local people tourism-related livelihoods. On the one hand, it can be said that tourism in the three villages could not be developed without the three TDCs. On the other hand, the TDCs had their own interests and always tried to maximise their own benefits. This has led to conflicts of interest between the TDCs and local people. Conflicts of interest were not so obvious in Guanxing due probably to the short history of tourism development and low level of tourism dependence but, were relatively worse in Yangzigou and Chongdugou. Although they heard protest from local people, the TDCs made few concessions. Overall, the TDCs had both positive and negative influences on local people's livelihoods.

The formal and informal rules also changed greatly during tourism development. Given the role and status of the TDCs, local people, as evidenced in the previous result chapters, needed to comply with rules and regulations and adapt to a more *institutionalised* tourism life, and away from the traditional *discursive* farm life. Relations between local people became more commercial and somewhat competitive as local people were engaged in the same businesses of family hotels or local specialty selling. This led to the emergence of informal rules including bribery and it has become a hidden rule to bribe the TDC staff for a bigger share of the tourist allotment. The situation in

Yangzigou was more significant. Not only did these sorts of practices affect local people's livelihoods, they also eroded local moral values.

In sum, tourism changed the vertical and horizontal institutional arrangements. The horizontal changes in particular have more direct impact on local people's livelihoods. All the parties (e.g., local people, TDCs, tourists, village committees) at the village level constitute a common interest body. Their common goal is to sustain tourism. Hence, without tourism, TDCs and tourists will never come to the villages and local people will still be engaged in traditional livelihoods. However, there are also conflicts of interest among all parties as discussed above. All parties interact and local livelihood activities have been restructured, leading to change local people's livelihood assets and outcomes, which, in turn, influence local people's resilience to vulnerability contexts which is discussed below.

## **10.6 Vulnerability**

Trends include economic, resource, population and tourist market which have long-term influence on local people's tourism livelihoods. Shocks include mainly economic, natural, and human health. Large scale shocks can be fatal to tourism at the macro as well as the micro level. SARs, for example, had a big impact on tourism growth in Yangzigou and Chongdugou in 2003. Small scale shocks can also damage tourism at the village level but are very often short-term. It may not take long to restore tourism from physical damage, such as the flood in Guanxing in 2001. Trends normally happen at the macro level. Local people do not typically feel the influence of such trends in the short term. Shocks can be devastating but seldom happen. Therefore, local people worried little about trends and shocks. Rather, the TDCs were more aware of the influence and made developmental strategies to cope with trends and shocks.

The influence of seasonality on local people's livelihoods is apparent. In off-peak seasons, many local people cope with this factor by labour migration or other livelihood activities such as making handicrafts, or upgrading their family hotels for improved business in the next year. Some people, however, stay at home and do nothing to make additional income. They believed that the benefits made in the peak season were enough for the whole year's use. This phenomenon is more common in Chongdugou.

Institutions themselves became a significant vulnerability context in a tourism livelihood system. On the one hand, surely, the TDCs play a significant role in initiating and developing tourism. It can be said that there would be no integrated tourism development without the TDCs, which would eventually reduce the livelihood potentials. The TDCs have to make profits somehow. On the other hand, however, regulations made by the TDCs erode local people's livelihoods, for example family hotel administration fees, raising of entry fees, and no admission to the villages and scenic areas without the tourist purchasing entry tickets. Informally, bribes between local people and the TDC staff have become increasingly concerning to local people, especially in Yangzigou. It indirectly affected some local people's livelihoods and these people are very often the poor and the aged. Some local people protested and even conflicted with the TDCs, but the TDCs made few concessions. Community participation might be an effective way to voice their concerns but local people have little access to, or participation in, the decision-making processes.

It is noted that tourism itself became a marked vulnerability context for family livelihoods as mentioned by many interviewees. In the case of Yangzigou and Chongdugou, their economic dependence on tourism is more than 85% and all villagers were involved in tourism. The limited arable land was sealed with concrete and local people no longer grow traditional crops as their main family livelihood. The villages look prosperous now. However, many interviewees showed their concerns about the future of tourism. People are concerned that land is no longer suitable for cultivation and it is less possible for local people to go back to previous agriculture-based livelihoods. As heavily reliant on tourism, local people will have to risk securing alternative livelihoods if tourism one day fails. Therefore, how to sustain tourism for the long-term became a significant vulnerability issue. Other vulnerability contexts local people mentioned include insufficient marketing promotion, lack of a long-term tourism development plan, and inadequate local infrastructure and tourist facilities. These belong to the extensive category of tourism management which should be considered a vulnerability context. In addition, 'individual capability', such as the lack of professional skills, became a barrier for some people again, very often the poor and the aged, to get involved in tourism and make good benefits. Therefore, individual capability should also be taken as a vulnerability context.

## **10.7 Livelihood outcomes**

The sections below compare the economic, social, environmental, institutional and overall livelihood outcomes in the three villages.

### ***10.7.1 Economic sustainability***

After statistical analysis, significant differences between all three villages were found for seven out of eight economic sustainability indicators (Table 42). The only exception was item Q13 ( $P=0.299$ ) where all villages recorded a high level of agreement that their region has better infrastructure compared with before tourism development. Tourism generated more economic benefits (Q9), diversified family livelihoods (Q10), created more job opportunities (Q11), and made educational opportunities and livelihood information more available (Q15, 18). However, it is noted that Q12 is recoded from a negative to a positive direction. The low mean score means that people did not agree that the prices of local products and services have not increased, which implies that living costs increased ( $F=18.14$ ,  $P<0.001$ ). Interestingly, people in Yangzigou and Chongdugou did not think that their education and medical services had become more available, whereas people in Guanxing did (Q14). This is consistent with what I observed. Education and medical services in the three villages were all improved. As tourism in Yangzigou and Chongdugou is more developed, people in the two villages might have higher expectations. Therefore, Guanxing residents gave a higher evaluation for this question than people in the other two villages. Hence, it needs to be noted here that all the items employed to evaluate livelihood outcome sustainability are subjective indicators of local residents' beliefs about tourism development. A low indicator score difference does not necessarily mean a low difference in reality. It is the ranking of scores and their range that offer key insights.

**Table 42. Economic livelihood outcome sustainability in the three villages**

Questions in economic dimension**	Guanxing (n=164) Tourism start in 2006	Yangzigou (n=59) Tourism start in 2003	Chongdugou (n=121) Tourism start in 1999	F	Sig (P)
Q13. The region has better infrastructure (like roads, electricity, water, public transport) due to tourism.	4.42	4.31	4.36	1.21	0.299
Q14. Education and medical services have become more available in general since the development of tourism.	3.76	3.44	3.45	9.36	0.000
Q16. It's easier to access information valuable to our livelihoods because of tourism development.	3.36	3.61	3.80	15.01	0.000
Q10. Tourism diversified our family's livelihood choice.	3.03	3.93	4.17	102.04	0.000
Q15. I have more educational opportunities (like vocational training) due to tourism development.	2.79	3.34	3.06	9.51	0.000
Q11. Tourism creates more job opportunities for us than were available prior to its development.	2.78	3.95	4.13	181.69	0.000
Q12. The prices of local products (like food, medicine) and services (like educational services) have increased because of tourism development. *	2.70	2.69	2.24	18.14	0.000
Q9. Tourism brings more economic benefit to our family than existed before tourism.	2.64	4.22	4.17	159.90	0.000

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### ***10.7.2 Social sustainability***

There are no significant differences for Q17, Q19 and Q20 between people in the three villages (Table 43), which means that tourism is not seen to increase the level of crime, damage the importance of local traditions and culture, and did not improve local community solidarity. Significant differences between people in the three villages exist in the other questions. Q21 and Q22 imply that tourism increasingly and negatively influenced trust among people, and local people felt increasingly bothered by more and more external immigrants. In contrast, women's status was significantly improved (Q23) and local people had more recreational facilities for their own use (Q24). Q18 is interesting – people in Yangzigou had the highest positive evaluation of tourism's influence on local norms and values, which seems to conflict with the interviews and observation that bribery is of high concern by people in Yangzigou. Conflicting data such as these indicate the need for further exploration.

**Table 43. Social livelihood outcome sustainability in the three villages**

Questions in social dimension**	Guanxing (n=164) Tourism start in 2006	Yangzigou (n=59) Tourism start in 2003	Chongdugou (n=121) Tourism start in 1999	F	Sig (P)
Q18. Tourism negatively influences norms and values in our area. *	3.79	4.00	3.41	13.85	0.000
Q17. Tourism has increased the level of criminality, alcoholism, vandalism, etc. *	3.78	4.02	3.77	1.82	0.164
Q19. Local traditions and culture have become less important because of tourism. *	3.67	3.73	3.58	0.92	0.401
Q22. People who have immigrated to our village from outside because of tourism bothered me.*	3.65	2.98	2.60	67.02	0.000
Q21. People have become less trusting since the launch of tourism. *	3.53	2.64	2.47	81.56	0.000
Q20. Tourism has increased community solidarity.	2.90	2.90	2.72	2.21	0.111
Q23. Women's status improved after the arrival of tourism.	2.75	3.78	3.96	173.67	0.000
Q24. Because of tourism we have more recreational facilities built for local residents.	2.52	2.86	3.09	17.15	0.000

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### ***10.7.3 Environmental sustainability***

Analysis of environmental livelihood outcome sustainability questions showed differences between the three villages are significant at the one percent significance level (see Table 44). As indicated by responses to Q25, Q27 and Q30, tourism made the local landscape more attractive, contributed to better waste management, and improved local people's environmental awareness. However, local people are also increasingly inclined to believe that tourism caused pollution (Q26), tourists disturbed local plants and animals (Q28), and tourist activities increased the competition for water and energy resources.

**Table 44. Environmental livelihood outcome sustainability in the three villages**

Questions in environmental dimension**	Guanxing (n=164) Tourism start in 2006	Yangzigou (n=59) Tourism start in 2003	Chongdugou (n=121) Tourism start in 1999	F	Sig (P)
Q26. Tourism causes pollution of the local environment (water, soil and air). *	3.74	3.02	3.11	26.38	0.000
Q25. Tourism development in the area makes the surrounding landscape more attractive.	3.65	4.46	4.39	44.07	0.000
Q29. Increasing exhaustion of water and energy resources was caused by tourist activities. *	3.65	2.34	2.17	222.47	0.000
Q28. The number of visitors results in disturbance to plants and animals. *	3.61	3.27	3.33	6.42	0.002
Q30. As a result of tourism development, people's awareness of environmental protection improved.	3.53	4.05	4.31	53.41	0.000
Q27. Tourism contributes to better waste management in the region.	2.34	3.97	4.24	439.44	0.000

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

#### ***10.7.4 Institutional sustainability***

Table 45 shows the results of the comparison of institutional livelihood outcome sustainability between the three villages. It can be seen that views on Q34 and Q36 were not significantly different between people in the three villages. Communication and coordination among parties involved in the decision-making processes were not good, and people in all three villages did not think the distribution of economic benefits was fair. Awareness of participation in tourism management and governance, however, was significantly improved (Q31) and participation in the decision-making processes were more encouraged by local authorities with tourism development (Q32). Q33 implies there was a significant difference in the issue of local people's access to, and influence on, participation in the decision-making processes between the three villages ( $F=26.47$ ,  $P<0.001$ ). People in Chongdugou gave the lowest evaluation on this issue. In addition, people's view of social equity (e.g., gap between rich and poor, bribery) is significantly different between three villages as implied by Q35 ( $F=85.87$ ,  $P<0.001$ ). More people in Chongdugou believed that unfair social phenomena have increased since the development of tourism.

**Table 45. Institutional livelihood outcome sustainability in the three villages**

Questions in institutional dimension**	Guanxing (n=164) Tourism start in 2006	Yangzigou (n=59) Tourism start in 2003	Chongdugou (n=121) Tourism start in 1999	F	Sig (P)
Q35. Unfair social phenomena have increased since the development of tourism. *	3.30	2.42	2.23	85.87	0.000
Q31. Tourism development has made me more aware of opportunities to contribute to participation in management and governance.	3.10	3.83	3.82	41.47	0.000
Q34. There is good communication and coordination among parties involved in the policy and decision making processes.	2.85	2.58	2.73	2.66	0.071
Q36. Distribution of economic benefits generated by tourism is fair.	2.55	2.80	2.70	2.71	0.068
Q32. Participation in tourism decision-making and governance is encouraged by local authorities.	2.48	3.19	3.21	31.99	0.000
Q33. I feel I can access the decision-making process to influence tourism development in the district.	2.35	2.05	1.81	26.47	0.000

NOTE: \*Items recoded from negative to positive direction. \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

### ***10.7.5 Overall sustainability***

Contrary to the above, a largely positive evaluation, Table 46 illustrates that overall institutional livelihood outcomes were negatively viewed by people in all three villages and received low evaluations. There is no significant difference in institutional sustainability at the five percent significance level ( $F=0.31$ ,  $P>0.05$ ). People in Guanxing, Yangzigou and Chongdugou, on the whole, positively evaluated economic, social, environmental and overall livelihood outcome sustainability although there are significant differences between the evaluations for the three villages. With tourism development, people in Yangzigou and Chongdugou reported more sustainable economic ( $F=74.44$ ,  $P<0.001$ ) and environmental ( $F=8.15$ ,  $P<0.001$ ) livelihood outcomes. For social livelihood outcome sustainability ( $F=5.76$ ,  $P<0.01$ ), however, people in Yangzigou gave the highest evaluation, with Chongdugou the lowest. Reason behind the result need to be further explored. The evaluation on overall livelihood outcome sustainability is interesting. The Scheffe test revealed that there are significant differences between Guanxing and Yangzigou and Chongdugou but no significant difference between Yangzigou and Chongdugou. More surprisingly, Guanxing had the highest evaluation on overall livelihood outcome. This might be able to be explained by the fact that most of respondents in Guanxing were not involved in tourism. These respondents might be attracted by the invisible economic benefits tourism generated and generally held

promising views about tourism.

**Table 46. Overall livelihood outcome sustainability in the three villages**

Overall outcomes**	Guanxing (n=164) Tourism start in 2006	Yangzigou (n=59) Tourism start in 2003	Chongdugou (n=121) Tourism start in 1999	F	Sig (P)
Economic livelihood outcome sustainability	3.19	3.69	3.67	74.44	0.000
Social livelihood outcome sustainability	3.32	3.36	3.20	5.76	0.003
Environmental livelihood outcome sustainability	3.42	3.52	3.59	8.15	0.000
Institutional livelihood outcome sustainability	2.77	2.80	2.75	0.31	0.731
Overall, I am satisfied with the tourism programme and I think it is sustainable according to its current development trend.	3.90	3.49	3.63	13.54	0.000

NOTE: \*\* Items measured using a 5-point Likert scale 1=strongly disagree, 2=disagree, 3=no opinion, 4=agree, 5=strongly agree.

## 10.8 Chapter summary

This chapter has compared and integrated the application of the SLFT in Guanxing, Yangzigou and Chongdugou. Given its status of being ‘at the commencement’ of tourism, Guanxing was taken as the control case to examine how tourism influenced and changed local livelihoods. The contextual review of tourism revealed that there were some common patterns of the tourism development in the three villages. These common traits are vital for the three villages’ tourism development approaches. Undoubtedly, tourism has greatly changed local livelihood activities. The more tourism developed, the more family livelihoods became tourism-related. As for livelihood assets, tourism growth generally improved local people’s human, social, economic and environmental capitals. Institutional capital, however, was not so positively reported. While local people in the three villages had a high level of access to the tourist ‘markets’ but had little access to participation in decision-making which had negatively influenced other livelihood assets. Institutional arrangements were also greatly changed. Vertically, policies at the higher hierarchy level informed policies at the lower level. The local livelihood situation at the village level was passed on to a higher hierarchy level for references on policy-making. Policies at the higher level may not be consistent with the actual local situation. Policy trade-offs very often happened at the county level. Horizontally, TDCs and tourists were introduced to local villages. Together with changes to formal and informal rules, new institutional arrangements at the village level reshaped livelihood assets, restructured

livelihood strategies, changed vulnerability contexts and influenced livelihood outcomes.

‘Trends’ and ‘shocks’ remain significant vulnerability contexts. From the local perspective, seasonality and institutions, however, emerged as more direct vulnerability contexts. With tourism development, Yangzigou and Chongdugou became totally tourism-dependent villages with limited other livelihood alternatives. If tourism fails, local people would have to find new family livelihoods. How to sustain tourism for the long-term, therefore, became the top vulnerability concern of local people. Other vulnerability contexts local people were concerned about included tourism management and individual capability. In the case of livelihood outcomes, generally speaking, tourism growth improved economic and environmental livelihood outcomes but positive social livelihood outcomes were elusive and may emerge in the longer term. Institutional outcomes were similar in the three villages. Local people overall viewed institutional capital negatively. Interestingly and surprisingly, people in Guanxing gave the highest evaluation to the overall measure of livelihood outcome sustainability. This might be because most respondents in Guanxing were not involved in tourism and they had positive views about tourism development in Guanxing.

Overall then, it can be seen that in the context of these three case studies, tourism can be overall a better rural development tool than traditional agriculture-based livelihood activities. However, the complexity of tourism as a livelihood strategy needs to be addressed. For example, how can tourism serve the purpose of rural livelihood diversification? How can local people get involved in tourism and cope with the new tourism-related livelihoods? The SLFT offers an overarching framework to assess these issues. The three case studies showed that the SLFT can be applied in practice and be used to understand the complexity of a tourism livelihood system from both tourism and the livelihood perspectives. The next chapter will revisit the SLFT and discuss it in light of the case findings, prevailing theories from other research, and draw key conclusions from this research.

# CHAPTER 11 DISCUSSION AND CONCLUSIONS

## 11.1 Introduction

This thesis has set out to develop a sustainable livelihoods framework for tourism and examine its applicability in practice. The development of the SLFT was carried out in chapters 2 to 4. The framework was then applied to the Chinese context to scrutinise its applicability. Based on an analysis of the broad Chinese tourism context and vertical institutional arrangements at the national, regional, prefecture-city, and county levels in chapter 6, and the research results from the three case study sites at the village/community level in Chapters 7 to 10, this chapter draws on key conclusions via revisiting the Sustainable Livelihoods Framework for Tourism (SLFT) within the context of its theoretical and practical contributions. Each element of the SLFT is discussed in accordance with case study findings and compared with contemporary theories where possible. Based on this discussion, the SLFT is revised and future research is recommended.

## 11.2 Revisiting the SLFT

The main goal of this research was to construct the SLFT and test its applicability in a development context. Reviewing the literature on rural and tourism development, it is argued that the Sustainable Livelihoods Approach (SLA), the widely used organising framework for considering poverty reduction, does not necessarily fit the case in which tourism is taken as a livelihood strategy for rural development. Gaps between the two contexts were identified and the SLFT was proposed. To examine the applicability of the SLFT, a case study approach was undertaken in the rural Chinese context. This section reviews the SLFT based on the findings and results, and then the SLFT components will be refined.

### *11.2.1 Tourism context*

A thorough examination of the tourism context is required to provide policy-makers, researchers and practitioners an overview of the background to tourism development. For example, will a rural area have the potential to develop tourism? What

are the motivations and initiatives for tourism development? The review of the tourism context needs to be carried out both at the macro and the micro level. At the macro level, first, only places with tourist attractiveness have the potential to become a tourist destination. Second, government can, and needs to, play an important role in boosting tourism development, especially in the Chinese context. Developing tourism in rural areas in developing countries very often faces the challenge of lack of funds and good infrastructure. Tourism-favoured policies can improve this situation by encouraging government to increase investment in local infrastructure. Third, the examination of tourism and rural development shows that tourism can dominate over other rural industries, at least as shown in this research in the Chinese context. In rural areas, the poor always have little land and less possible make better-off through land-based livelihood activities. Tourism has the potential to improve the poor's living conditions by focusing on business activities which are not so directly constrained by land holdings.

At the micro level, first, tourist market strategy has a direct impact on local people's involvement in tourism. On the one hand, international tourists generally demand a high-standard of accommodation and service which normally require higher levels of investment. This, however, very often indirectly excludes local rural people, especially the rural poor, from the tourist market perspective in a developing country context. Domestic tourists, however, generally are more tolerant of lower-standard accommodation and services (Archer, 1978). Deliberately focusing on market segments increases the potential for local rural people to participate in tourism development. On the other hand, international tourism is more susceptible to an unfavourable external environment, such as climate, terrorism, epidemics, and economic crisis, than domestic tourism (e.g., Sönmez & Graefe, 1998). Therefore, if there is a growing domestic tourist market, it warrants a high priority when considering tourism as a rural livelihood strategy.

Second, an appropriate tourism development model can greatly ensure local people's involvement and participation in tourism. In this research, the three villages represent an emerging tourism development model which was called the "communal approach" by Ying and Zhou (2007) and is widely applied to many rural tourist destinations in China (e.g., Shen, Cottrell, Hughey, & Morrison, 2009). Some common traits of communal tourism are:

- Tourism is initiated by a TDC formed by either external investors or local governments. The TDC is in charge of all tourism administration and management work.
- The whole or part of a village is enclosed in the overall scenic area and become part of the tourism 'product' by charging entry fees.
- Most accommodation and services are provided by local people but are coordinated by the TDC.
- Local people can share the benefits from the profits of TDC, but this is limited by institutional arrangements, co-ownership, and development phase
- The tourism product was initially developed for the economy market and later middle-and-high-end markets. Tourists were mainly domestic travellers.

In recent years in China, the communal approach has been vigorously applied and been advocated by scholars and governments (Wei & Han, 2003). This research also showed its advantages in rural tourism development which will be detailed in the next sections. However, the viability and development of this approach in China may relate to Chinese specific social and political environments. Thus, the application of this approach in other developing countries is subject to examination and replication

Third, the SLFT can be applied to tourist destinations at different stages of Butler's Tourism Area Life Cycle (TALC). The TALC model can serve as a reference point for policy-makers, researchers and practitioners to understand the development scale and scope of a rural tourist destination. However, it needs to be noted that the development of a tourist destination may not necessarily fit all the traits of each TALC stage (Morais, Dong, & Yang, 2006). Identifying tourist area's TALC stage has always been problematic (Haywood, 1986; Lagiewski, 2006). However, tourist arrivals and tourism receipts, as used here, are two criteria which are relatively easy to use to judge tourism development stages (Haywood, 1986; Bao & Zhang, 2006).

Theories should match practical needs. An overview of the tourism context at the macro and micro level will help give an understanding of the overall situation of a rural tourism destination as a guide to SLFT application. In addition, an understanding of the tourism context will facilitate the identification of issues of the other SLFT elements for further examination.

### ***11.2.2 Livelihood strategies***

Over time, a tourist destination will generally move from one TALC stage to the next. Meanwhile, tourism-related-livelihood-activities will gradually take over the dominance of non-tourism-related-livelihood-activities. Tao and Wall (2009, p. 90) argue that tourism normally “complements rather than displaces existing activities” in a rural tourist destination. In this research, it was shown that tourism can become dominant over, if not displace, existing rural livelihood activities with the village becoming more exposed to tourism dominance. In addition, tourism, being a livelihood strategy, is not like traditional rural livelihood activities such as farming, fishing and labour migration which are individual livelihood activities. Tourism is best thought of as a livelihood ‘portfolio’ that includes many livelihood activities, such as accommodation and service provision, direct employment, street stall selling, goods-deliverer, and sedan-chair lifter. Accommodation and street stall selling normally generate, as suggested in the three case studies, more profits and can engage most local people in a communal tourism destination. The poor, very often, take lower skilled jobs (e.g., cleaner) or physical labouring work (e.g., sedan-chair lifter). Although these livelihood activities are not as financially rewarding as accommodation and street stall selling, the poor and poorer are still able to make more income than from farming and other traditional rural livelihoods. Therefore, in these contexts it can be argued that tourism-related-activities will become prevalent with tourism growth. Non-tourism-related-activities may still exist but will be marginalised in a family livelihood portfolio as local people, at all levels, are drawn to do cash-based trade.

### ***11.2.3 Livelihood assets***

The contents of livelihood assets have many aspects and the measurement of them is somewhat challenging. In this research, data collected on livelihood assets were mostly based on local people’s perception rather than objective measurement. Therefore, interpretive bias may occur. In attempting to minimise the bias, data triangulation was used. Data on livelihood assets were collected via various methods, including in-depth interviews, questionnaire-based household survey, and observation, to increase data depth and breadth and to improve data reliability and validity.

Livelihood assets are at the heart of the SLFT. From this research, it was interpreted

that tourism overall increases human, social, natural, and economic forms of capital. As a newly introduced concept, institutional capital is of great importance in a tourism livelihood system. But the notion of institutional capital is not simply positive or negative, rather it is complex. It contains many implications and needs to be carefully analysed and interpreted.

Generally speaking, the rural poor in developing countries are accustomed to traditional livelihoods such as agriculture, fisheries, and labour migration. Tourism is a relatively new activity of 'visitation' to them. They have to learn professional skills to adapt to tourism activities with which they are not familiar. Findings show that tourism can improve the percentage of family labour and rural people's service skills. Livelihood information becomes more available and accessible. **Human capital** is reinforced. Tourism can both positively and negatively influence **social capital**, but overall is assessed as more positive. Tourism is a service-based industry and is relatively less demanding of physical-labour compared with farming. Many tourism-related activities can be undertaken by women. Women's status thus improves. Tourism may have some negative influence on local people's norms, values, and trust. But there is not necessarily a relationship between the change and tourism development. **Economic capital** is the form of capital that is most visibly improved. Tourism generates much tourism-related employment. Family income for both the better-off and the poor increases, although the extent of the income increase differs. The improvement of local infrastructure, especially roads, benefits each family no matter whether one is engaged in tourism or not. The perceived change of **natural capital** is an important consideration. Tourism changes local people's access to, and the use of, local natural resources. With communal tourism, a high quality natural landscape is typically the basis of tourism development. Land-based agricultural activities are often prohibited because they are considered of not being inconsistent with surrounding natural attractions. However, tourism is not consumptive of local natural capital. Rather, the utilisation of natural resources is changed and local people can benefit more from the change.

It is noted that people's livelihood assets in areas adjacent to a rural tourist destination may also be influenced by tourism development. Their economic capital can benefit from the multiplier effect of tourists' spending, such as supplying local specialities and handicrafts to the traders in the destination. Their natural capital, however, can be

negatively influenced by waste water flowing from the tourist destination. As aforementioned, tourism is typically based on a high quality natural landscape. In this research, the TDCs in the three villages all built waste water plants to help ensure the cleanliness of local natural attractions. Downriver water quality was not visibly poor and has not led to expressed concerns from neighbouring non-tourist villages, at least in the context of this research.

The concept of **institutional capital** mainly refers to participation which includes access to tourist markets, benefit-sharing, and participation in the decision-making processes. Most commonly, participation is debated in relation to power sharing (see Chapter 3). This research shows that access to tourist markets might be most important to the rural poor, which ensures the rural poor is able to share benefits from tourism. In developing countries, lack of direct access to the tourist market is very often a barrier for the rural poor to get involved and participate in tourism (Goodwin, 1998; Ashley, 2000). Therefore, a well-designed tourism development approach (e.g., communal tourism) is of great importance to guarantee the participation of the rural poor in tourism development. Participation in decision-making is conventionally considered the main component of community participation. This research suggests that tourism improved local people's awareness of participation in decision-making but did not positively change the extent, or effectiveness of, that participation. Local people have little access to, and hardly have any influence on, decision-making processes. This type of participation can be linked with Tosun's (1999) typology of community participation in the tourism development process – *passive, indirect* and *top-down* participation from the perspective of power-sharing. With this type of participation, local people are informed and manipulated to do what has been decided. Very often, the decisions do not reflect local people's wills, and tensions will very likely occur between tourism developers and local people.

The literature suggests that community participation can be an effective way to empower local people to achieve better livelihood assets (e.g., D. G. Reid, 2003; Tosun, 2005). However, in a tourism livelihood in countries without a democratic template for decision-making, community participation is a complicated issue. Some concerns need to be addressed. First, who should participate? Reid (2003, p. 135) points out that “the community is not a single entity, but is composed of a number of distinct groups with divergent interests”. Therefore, participants should come from different interest groups

and should be able to represent each group's interest, not only the local elite and better-off, but also the poor, poorer and poorest.

Second, when should local people participate? According to mainstream community participation literature, local community participation should be encouraged to start as early as possible (e.g., Murphy, 1985; C. M. Hall, 2000; Mitchell & Reid, 2001; D. G. Reid, 2003). This research evidence confirmed that local people are far from homogeneous. In a rural community, some are not interested in participation; and some lack skills and are not capable of participation. Conflicts of interest also exist within the local rural community. A conclusion is that community and consensus building during participation in decision-making are very often time-consuming. Tourism is basically a market-based commercial activity. Time-consuming activities sometimes mean the loss of market opportunity when facing competition from other similar attraction-based tourist destinations. As suggested by the first case site of Guanxing, local people will also be frustrated by slow progress with tourism development if they cannot see tourism benefit in the short-term. Thus, it seems that community participation is not necessarily beneficial to either the local community or the TDC in the early tourism development stage. However, effective community participation will maximise community consensus and further contribute to long-term tourism development (Tosun, 2005). Community participation in this context, therefore, is basically an issue of long-term goals versus short-term benefits. The trade-off between the effectiveness and efficiency of tourism development needs to be considered.

Third, how should local people participate? According to Pretty (1995), there is a continuum of the extent of community participation from *manipulative participation* to *self-mobilisation* (see Chapter 3). Ideally, local people can take full control of tourism development themselves, namely self-mobilisation. This aim is, however, unrealistic given local complexities. Local people are not a single entity and very often lack skills to participate in decision-making. Community consensus and capacity building are needed. Participation is also a dynamic process and the extent of participation varies along with tourism development. Given the heterogeneity of the local community and insufficient participation practice of local people, participation by consultation is more appropriate at the early stage of tourism planning. With tourism growth, local people's ideas need to be more respected and participation becomes more active and direct. No matter when and

how local people participate, the most important thing is local people's capability and skills for participation. Therefore, tourism developers (local government or TDCs), should put community capacity-building and empowerment (e.g., education and training) at a high development priority and implement it from the earliest tourism development stage, as suggested by Tosun (2005). Thus, more effective and comprehensive community participation is expected to be achieved.

In sum, institutional capital in a tourism livelihood system is of paramount importance and has great influence on other livelihood assets. Participation in decision-making generally means power redistribution. In developing countries, tourism development, however, is normally controlled by local governments, external developers and local elites who do not wish to lose their power (Mowforth & Munt, 1998; Mitchell & Reid, 2001). If full participation in decision-making is difficult, then participation in the tourist market appears particularly important and can ensure local people's participation in tourism benefits. From the three case studies, accommodation, food and services are exclusively provided by local people using local resources. Therefore, the three villages became largely self-sufficient tourist destinations in supplying tourist needs. "Self-sufficiency is of considerable importance in enhancing local multiplier effects whilst simultaneously reducing import leakages" (E. Cater, 1999, p. 477). Therefore, *access to the tourist market* is paramount to ensure local people share benefits from tourism development, especially in the context where participation in decision-making is limited and unreachable in a short-term. It should be considered an indispensable component and added to the normative concept of tourism community participation which has traditionally related to power distribution and sharing (Timothy, 1999; Tosun, 1999, 2000).

In this research, it is noted that tourist attractions in the three case study sites are all nature-based. In practice, attractions in rural tourism are diverse and include cultural heritage, folk customs, produce (e.g., fruits, wine), events, and other attraction resources. All these attractions should be considered in the same way as natural capital in a tourism livelihood system from which local people make a living. Therefore, an additional livelihood asset – *attraction capital* – should be added to the framework. Attraction capital can be defined as all resources used to attract tourist arrivals from which local people benefit for better livelihood objectives. Attraction capital includes natural and

cultural attractions, and other attractions such as produce and events, subject to the tourism development context. It is noted that attraction capital is collective/destination-based. It may belong to, or be owned by, one particular individual or household, but each local person or family can benefit from it for a better tourism livelihood. For example, a family-owned thousand-year-old ginkgo tree can be harvested for its fruits for family income. The tree itself can also be an attraction to tourists. In this case, it is a natural capital which can only be accessed by the family. Meanwhile, it is also an attraction capital which benefits the whole local community. Natural resources sometimes can, therefore, serve purposes for both destination/community-based tourism attraction and individual/household-based family livelihood. The attraction capital proposed here allows one to assess tourism destination sustainability while then objectively and separately evaluating the other five forms of capital.

Overall, in a tourism livelihood system, all six forms of capital are important. They are interrelated and somewhat interchangeable. For example, the improvement of human capital may help people be more professional in providing services and contributing to family hotel businesses. Likewise, tensions and conflicts exist among livelihood assets, such as land used for vegetable cultivation versus car park construction.

#### ***11.2.4 Institutional arrangements***

Institutional arrangements include vertical as well as horizontal aspects. Vertical institutional arrangements mainly refer to governments, tourism regulations and policies at various administrative levels. Government at the macro level has a decisive influence on tourism development through tourism legislation and policy-making. In contrast, governments at the meso and micro levels have more direct impact on tourism destination development. In developing countries, tourism development normally faces the plight of insufficient infrastructure and funds. Lessons from this research are that local governments should play a vital role in tourism development. Governments can mobilise social resources to initiate and speed up tourism development which are very often beyond local rural communities' capability. A government-led tourism development strategy (GLTDS) should be advocated. It is noted that GLTDSs must be based on, and driven by, market principles and community resources and their aspirations.

At the macro level, GLTDSs refer more to tourism planning and pro-tourism policy

and regulation making. As demonstrated in this research, tourism can be economically beneficial to local rural people and generate much more economic benefits than traditional agriculture-based livelihood activities. In addition, tourism is a cash-based and 'clean' industry in contrast to physical farming. People in rural areas with fertile farm land may also wish to develop tourism for better livelihoods, which may, however, damage high-quality farm land, intensify tourist market competition, and finally lead to an undesirable tourism consequence. Hence, it is important for governments at every administrative level to ensure tourism development in a planned and balanced way. Tourism can not be developed everywhere. Only areas with tourism resources have the potential to become tourist destinations. In the SLFT, therefore, there are spaces for governments to manage tourism development via planning and legislation, for example, identifying which area is suitable for tourism and where agriculture should remain as the main rural livelihoods, rather than to encourage all rural areas to develop tourism. Government can balance rural development with tourism or agriculture being main livelihood strategies via various economic and policy levers, such as taxation, incentives, and infrastructure. Thus, vertical institutional arrangements play a role of mediating the tourism development process, which will, more broadly, contribute to the resilience of the tourism industry to vulnerability and risks.

At the micro level, besides tourism policies and regulations, GLTDSs mean that local governments can also be directly involved in specific tourism programmes as initiators and developers. Along with tourism growth, the direct government involvement can, however, lead to increasing negative impact on tourism development as well as local people's tourism livelihoods, as suggested by the case of Chongdugou. Therefore, appropriate understanding of GLTDSs should focus on governments' initiatives for pro-tourism policy-making, tourism planning, development mediation, and financial support. In addition, government policies at the national and regional levels generally meet village livelihoods at the local district level. Local governments, therefore, play an important role in linking specific livelihoods from the village/destination level to policies at the regional-national levels.

Horizontal institutional arrangements occur at the village/destination level and involve local communities, local governments or their representatives, TDCs, (I)NGOs, tourism agencies, and tourists themselves, and are shaped by formal and informal rules

and regulations. Generally speaking, local rural people in developing countries have little ability to initiate tourism development owing to the lack of funds, business knowledge and skills. Consistent with the above, local governments have a strong influence on local tourism development either by making policies to attract external investment in tourism development or by directly initiating a tourism programme at the local village level. Where there is direct government involvement, local people have little power commensurate with local government and are very often at a disadvantaged position in tourism development. As shown in this research, conflicts of interest between local people and local governments may become severe and jeopardise tourism development and local people's tourism livelihoods. With tourism development and maturation, local governments, therefore, need to change their role from being an initiator and facilitator to a facilitator and mediator, which means that local governments may step aside from directly operating tourism businesses. They should pay more attention to creating a better political and economic environment to facilitate tourism development via tourism-policy-and-planning, and let tourism develop in line with market principles. When conflicts occur in a destination village and cannot be sorted out by the affected parties, local governments can then mediate the conflicts from a neutral standpoint.

In this Chinese-based research, TDCs have been shown to play a crucial role in tourism development. Tourism is not like traditional family-based farming livelihoods. It is a higher level business activity and needs to be run as an integrated company, with tourism product design, market promotion, and risk management. These require highly professional skills and broad commercial experience which local people generally lack. External investors, however, can take this role by forming a TDC which manages tourism to draw businesses. Importantly, TDCs can solve the issue of fund shortage for initiating and developing tourism (e.g., infrastructure, accessibility), which is very often a constraint faced by most small-scale rural tourism programmes in developing countries. Under this circumstance, the advantages of the 'communal approach' of tourism development become apparent, and this approach, as a newly emerging type of tourism development, need receive high attention from developers in developing countries. To run tourism businesses, TDCs need support and cooperation from local people. Therefore, local people must have access to the tourist market and be able to share the benefits from tourism development. With tourism becoming local people's main livelihood source, local people's lives will be closely linked to the fate of tourism. They show increasing

concern about tourism development and appeal for more involvement and participation in decision-making which greatly influences their livelihoods. This research suggests this issue must be addressed by TDCs.

Case studies in this research did not involve (I)NGOs which do play an extensive and active role in some tourism development programmes in China as they do in many other developing countries, such as the Holland-based Stichting Nederlandse Vrijwilligers (SNV) and the Britain-based Overseas Development Institute (ODI) (Saville, 2001). Reviewing the development programmes (e.g., Ashley, 2000; Saville, 2001), (I)NGOs are often involved in tourism as the initiator, facilitator, and mediator. They work with local governments and local people to initiate development programmes using tourism as a livelihood strategy and facilitate tourism development by providing funds and mediating involved parties. Their main roles include community capacity-building and empowering local people, especially the rural poor, to benefit from tourism development. However, community capacity-building and empowerment is a long-term process and the consequence is, to a great extent, subject to local governments and those who have great influence on local development such as external investors and local elites. Therefore, building effective communication and close partnership with all local parties are paramount needs for (I)NGOs.

Generally speaking, tourism agencies do not directly influence local family livelihoods. However, they do play an important role in a tourism livelihood system. Tourist market development in many respects relies on tourism agencies. In addition, tour guides have direct contact with local people and can either positively or negatively influence local livelihoods by suggesting to TDCs in which accommodation tourists may prefer to stay. From the livelihood perspective, tourism agencies need to take responsibility for encouraging tourists to have positive contacts with the local community, especially the local poor, by learning local cultures, staying in local-owned accommodation, and buying local goods. Within a tourism livelihood system, tourists become the de facto livelihood source. They have day-to-day contact with local people and directly affect local people's livelihoods. Therefore, the issue of improving tourists' awareness on rural poverty alleviation should be addressed. Tourists can be encouraged to focus on rural poverty by spending of their discretionary money with the local poor. New formal and informal rules are generated along with tourism development. Impacts of these

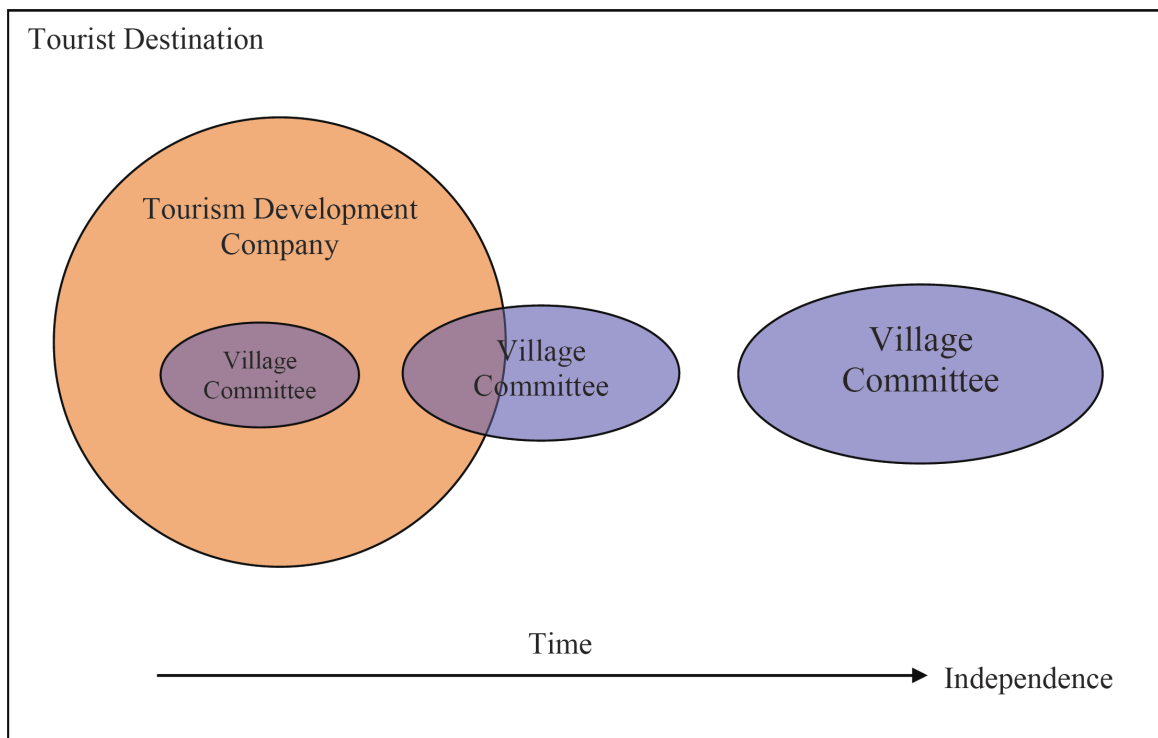
rules on local livelihoods can be positive or negative. The negative impact can be minimised by joint efforts of all parties, for example, repeat tourists' entry to the villages for food and accommodation purpose only.

With the transformation of horizontal institutional arrangements caused by the introduction and development of tourism, this research indicates that tourism can actually be a driving force of democratisation in the developing countries/regions where there is a centralised political system and local people have little knowledge and experience of participation and democracy. Tosun (2005) proposed a three-stage model for the occurrence of community participation in tourism development in developing countries. The first stage is the emergence of pressures from intergovernmental organisations and (I)NGOs for central governments in developing countries to accept a participatory development approach. The second stage is the political acceptance and regulation preparation at the central level, and the third is the administrative restructuring and policy implementation for community participation at the operational level. Examining the three-stage model, it is a top-down process. However, evidence from this research suggests that the occurrence of community participation in tourism in the context of China is basically a bottom-up process, driven by internal motivations and external forces.

Internal motivations mean that local people are self-motivated to participate in tourism decision-making to enhance or defend their own benefits, although this participation may not be desired by the TDC and local political and business elites because of their vested interests or for other reasons. As discussed in Chapter 4, with traditional individual/household-based rural livelihoods (e.g., small-scale agriculture, forestry, fisheries, and labour migration), local people do not show strong desire for political participation. However, tourism resources are collective/community-based and lead to the issues of tourism benefit-sharing and access to the tourist market, which motivates local people to strive for their interests through proactive participation in decision-making. External forces are the change of institutional arrangements, especially the introduction of the TDC into the local community. With tourism becoming the main livelihood source, local people transform from the *discursive* farm life to an *institutionalised* tourism life. They are closely bonded to the fate of tourism development and the TDC. Any rules made, and actions taken, by the TDC will have direct or indirect impacts on local people's livelihoods and lives. Therefore, local people are driven to

participate in tourism administration and management to vocalise their benefits and ideas of how tourism should develop.

As shown and analysed in chapters 7-10, tourism significantly contributed to the improvement of local people's awareness of participation in decision-making and greatly improved local people's human assets which directly links to participation skills and capability. In the case of Chongdugou, tourism used to be run by the local town government and the village committee. Tourism development made local people more aware of their rights and they claimed their benefits, even via suing the town government in court. Local people's contention pushed the town government to withdraw direct business involvement in the village tourism and transfer the tourism business to private investors. Through the transformation, local people gained more rights and stronger voices in tourism administration and management. From this perspective, it can be seen that tourism is also the driving force of changing the local political structure. Figure 12 illustrates this changing process. In a centralised context, and if tourism is initiated by the local government, the village's tourism is very often directly operated by its representative – the TDC. The political power in the village, traditionally held by the village committee on behalf of local villagers, will be taken over by the TDC. The village committee then becomes part of the TDC and loses its autonomy. With tourism growth, the local government, owing to internal motivations and external forces for community participation as the above, will be forced to withdraw its direct involvement in the village tourism operation and more likely play the role of mediator in the tourism development processes. The village committee thus becomes more independent from the TDC. Centralised governance and administration by the TDC will be challenged by the competition between two or more parties – the TDC, the village committee, and local people, a characteristic of 'democracy' (Downs, 1957, p. 137).



**Figure 12. Political structure movement in a tourist destination**

At the risk of over-generalising experiences from the case studies, it can be seen that, no matter whether a government-controlled or private-investor-controlled TDC, tourism is a driving force of community participation, “sine qua non of a democracy” (Tosun, 2005, p. 334). Internal motivations and external forces jointly facilitate the process of democratisation, which is a bottom-up process within a centralised political, social and cultural environment. However, the issue arising here is whether this process is necessarily beneficial and a welcome thing. This needs long-term monitoring and further consideration, which have been beyond the scope of this research.

On the whole, all parties involved in a tourism livelihood system interact and affect local rural livelihoods. Vertical and horizontal institutional arrangements together determine the selection of livelihood strategies, reconceptualise the components of livelihood assets, change local people’s resilience to vulnerability contexts, and influence livelihood outcomes.

### ***11.2.5 Vulnerability***

Trends, shocks, and seasonality remain important vulnerability contexts in the SLFT. From the perspective of the local community, trends are generally broad and seem

far away from local people's daily lives. Local people can hardly sense them in the short-term. Large-scale shocks (e.g., earthquakes, SARs) are rare. Small-scale shocks (e.g., rainstorms, drought) bring limited negative influence on tourism development. Natural shocks can sometimes be positive for tourism, for example a barrier lake formed after an earthquake can be a tourist attraction, and lasting hot and dry weather can motivate tourists to travel to mountain-based tourist destinations to cool off. Local people worry little about the impact of trends and shocks on their own livelihoods. However, from the perspective of local governments and TDCs, trends and shocks undoubtedly have great influence on tourism development and should be considered in tourism risk management. Seasonality is a common problem in the tourism industry. It influences tourist arrivals and tourism receipts, having a direct influence on local people's livelihoods. In the off-peak seasons, many local people need to take other non-tourism-related-activities (e.g., labour migration) to earn additional family income.

Within a tourism livelihood system, institutions can be a significant vulnerability context. In village destinations, rules made by TDCs and local governments can work formally and informally against local people's livelihoods as indicated in the result chapters. When conflicts of interest occur between local people, TDCs and local governments, TDCs and local governments often protect their own position by compromising local people's benefits, for example, raising the entry fee to increase TDCs' revenue may lead to a decline in tourist arrivals which will negatively influence local people's income. However, institutional arrangements (vertical and horizontal) can also act as an agent for mediating the vulnerability contexts as discussed above. Vertically, governments at every administrative level can rationalise the deployment of tourism and facilitate tourism development at different scales through planning, pro-tourism policy making, and financial support. Government tourism planning is generally large-scale and strategic which sets up long-term tourism development goals. All these government efforts will increase the relative immunity of the tourism industry from risks and vulnerability. Horizontally, the TDC and local government can improve local people's human capital through direct training and education, which will benefit local people's livelihood resilience to vulnerability contexts. In addition, community participation will be strengthened with tourism growth. Effective community participation is advocated as an approach to increase local livelihood benefits (Mowforth & Munt, 1998; Tosun, 2000; D. G. Reid, 2003; Tosun, 2005, 2006) and therefore minimise the

vulnerability context of institutions. Accordingly, institutional arrangements play a role of mediator for buffering and reducing livelihood vulnerability contexts.

It is noted that, with tourism growth, tourism-related-activities can become local people's dominant livelihood source. In this research, except for the village Guanxing, tourism contributes to more than 80% of the other two villages' economy, which are therefore hyper-dependent on tourism (Weaver & Schlüter, 2001; Weaver & Lawton, 2006). Heavy reliance on tourism is economically risky in the long-term and will be under serious threat if tourism encounters an adverse situation (Mihalic, 2002; Page & Connell, 2006). Therefore, tourism itself becomes the biggest livelihood vulnerability concern for local people. To sustain local tourism livelihoods, a sustainable destination needs to be firstly sustained and a well-developed tourism plan can be of help (Simmons & Fairweather, 2005a). But the most important aspect is how local people can cope with this vulnerability. This research shows that tourism can greatly improve local people's human assets and economic assets, both of which are of high significance for enhancing local people's resilience to this vulnerability context. Improvement of human assets (e.g., professional skills, livelihood information) will increase local people's capability to adapt to new situations in case tourism fails. Increasing economic assets, especially cash or bank savings, can materially bolster local people's adoption of new livelihood activities. Extending social network to tourists, an attribute of social assets, also assists in new livelihood adoption. Although "mono-development, based predominantly on one industry, such as tourism, is economically highly risky" (Sharpley & Telfer, 2002, p. 98), tourism's contribution to local people's resilience needs also to be addressed and recognised in the SLFT. From the planning and management perspective, tourism developers need to give more attention and support to local people's capacity-building and the improvement of human assets, a crucial factor for enhancing local livelihood resilience. Other vulnerability contexts identified from the case studies include poor tourism management (e.g., insufficient tourist market promotion, poor infrastructure and tourism facilities) and lack of individual capability. All these should be considered vulnerability contexts and considered within the SLFT.

With the DFID SL framework, the main approach for local people to cope with vulnerability is livelihood diversification, normally undertaken by individual families (Ellis, 1998; Hussein & Nelson, 1998; Baumgartner & Högger, 2004; Start & Johnson,

2004). In a tourism livelihood system, tourism includes diverse livelihood activities which theoretically can be undertaken by any local person, such as direct employment, accommodation and service provision, and handicraft making and selling. However, as shown above, tourism itself can grow to become one of the livelihood vulnerability contexts. A destination involves multi-stakeholders such as local communities, TDCs, local governments, and tourists, and tourism resources generally occur at the community level. Therefore, the tourism livelihood vulnerability, for example unfavourable destination image, is collective-based and can not merely be coped with by individual families. All parties need to make efforts towards sustaining tourism for the long-term and sustainable development. A favourable institutional framework is able to help all parties work together to build up a sustainable tourist destination.

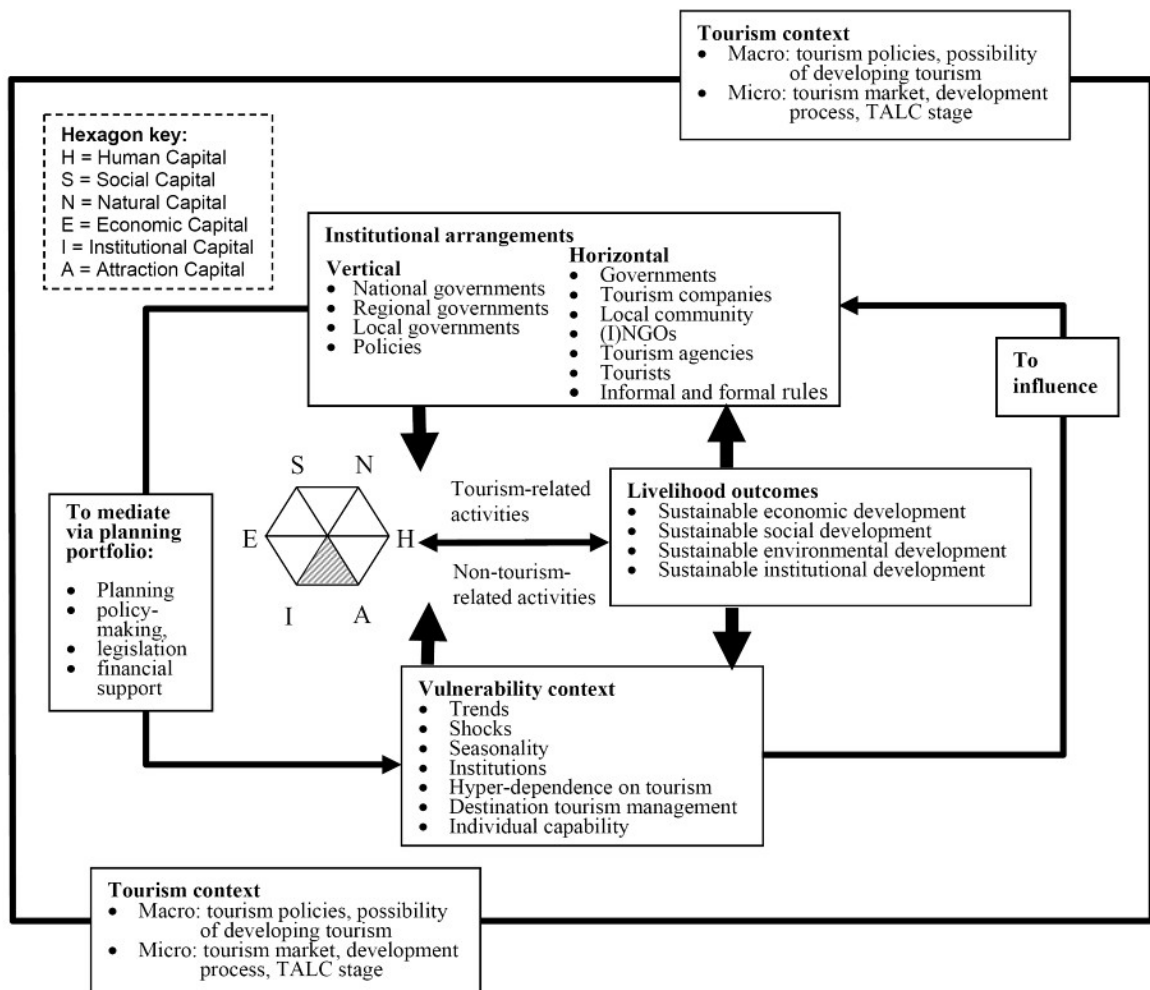
#### ***11.2.6 Livelihood outcomes***

Livelihood outcomes in a tourism livelihood system have dual meanings. One is to achieve sustainable livelihood objectives. The other is to sustain tourism over the long-term. **Economically**, tourism can provide local people with a reliable income source. Compared with traditional agricultural livelihoods, tourism provides a clean and cash-based livelihood opportunity. Tourism especially greatly improves local infrastructure, and creates employment, and raises incomes. Tourism also brings educational opportunities and with it more livelihood information. One of the few negative economic outcomes might be an increase in local product prices which means an increase in living cost which may disadvantage the local rural poor. **Socially**, tourism causes little negative impacts on local culture, norms and values. The case studies in this research show that tourism may negatively influence local community unity and trust. But there is not necessarily a relationship between the negative impact and tourism development. The role of local institutions, and the tourism planning and development process are crucial here. In terms of gender issues, tourism typically improves women's social status. **Environmentally**, tourism is drawn to an attractive natural landscape as a destination. Therefore, tourism contributes to the protection of local natural resources and improves local people's awareness of environmental protection. In a tourist destination, tourism does generate pollution, mainly domestic waste. However, there is no pollution-free industry, and compared with industrial pollution, domestic pollution is easier to treat (Wei & Han, 2003). In this research, tourism generated some pollution to local water but this was not a major concern. The main problem was the exhaustion of water and energy

resources. In a broader sense, there is, however, increasing concern about the carbon footprint of tourism (e.g., Becken & Patterson, 2006; Kelly & Williams, 2007; Solomon & Hughey, 2007; Becken & Simmons, 2008). It is true that tourism will consume fossil fuel and generate greenhouse gases. But, there is no cost-free development. It is basically an issue of development and conservation with an emphasis on resource efficiencies. Trade-off between these goals needs to be considered. **Institutionally**, tourism improves local people's awareness of participation in decision-making. However, local people have little access to, and struggle to get involved in, decision-making processes. What is more, unfair social phenomena (e.g., bribing) can increase and unbalance economic distribution which results in the widening of the gap between poor and rich. The issue of a widening gap between poor and rich may generate resentment among local people and needs to be carefully addressed. On the whole, this research suggests that local people positively viewed tourism no matter whether village destinations are at the TALC stages of involvement, development or rejuvenation, which challenges Long, Perdue, & Allen's (1990) view that local residents will become less favourable of increasing tourism development when more than 30% of the local economy is derived from tourism.

#### ***11.2.7 The revised SLFT***

Synthesising the discussion above, some revision to the proposed SLFT (see Figure 5, p. 61) is needed, as shown in Figure 12. First, the tourism context can be examined at the macro and micro levels. At the macro level, a review of tourism policies and the possibility of developing tourism provide an overview of the driving force and deployment of, and the role governments play in, tourism development in rural areas, and of how tourism is viewed as a livelihood strategy. At the micro level, the tourist market type needs to be identified. Is it domestic tourism or international tourism? Further, what tourism development model does the village follow? government-controlled, company-controlled, or local community-controlled development? Then, the TALC stage can be judged to understand the overall tourism development scale and scope. These modifications are included in Figure 13.



**Figure 13. The revised SLFT**

Livelihood assets are the core of the SLFT. Besides the social, human, natural, economic, and institutional capitals, other types of tourism resources can also be livelihood assets that local people can develop, e.g., local culture, folk customs, crops, festivals, and other tourist attractions. Therefore, an additional livelihood asset, “attraction capital”, “A” in hexagon (Figure 13), should be added to the SLFT. This capital refers to various public and private-owned properties which can be used as tourism resources. Its content varies with the different tourism contexts. Livelihood strategies include tourism-related-activities and non-tourism-related-activities. Basically, tourism will not totally replace historic livelihoods. Rather, it complements them at the beginning of tourism and can become increasingly dominant over them with tourism growth. Tourism reshapes institutional arrangements both vertically and horizontally. Vertical institutional arrangements generally affect the tourism industry at the macro level, while horizontal institutional arrangements have more direct impacts on local people’s livelihoods at the destination level.

As for the livelihood vulnerability context, hyper-dependence on tourism can become a major vulnerability issue for local people. Together with destination tourism management and individual capability identified in this research, these factors are all placed into the SLFT as part of livelihood vulnerability contexts. It is noted here that the vulnerability context is viewed differently by different parties. Trends and shocks are important vulnerability contexts to TDCs and governments but resonate little with local people. Within the SLFT, vulnerability contexts are of great importance due to their adverse impact on local livelihoods. They influence the transformation of institutional arrangements. Meanwhile, institutional arrangements are a major force to mediate livelihood vulnerability via the planning portfolio (e.g., tourism planning, tourism policy and regulation making, legislation, and financial support) which, together with the improvement of livelihood assets, jointly contribute to the strengthening of local people's and the tourism industry's resilience to all vulnerability contexts. Livelihood outcomes address the issue of sustainability at both the individual family level and destination community/village level. Outcomes should achieve economic, social, environmental, and institutional sustainable development.

Overall then, the SLFT developed in this research aims to provide government, (I)NGOs, researchers, and practitioners with an overarching framework to look at rural development using tourism as a livelihood strategy. It is noted that the SLFT is neither an action plan, nor a blueprint. It is a way of thinking and is an analytical framework to guide users to view holistically the complexity of a tourism livelihood system. The SLFT model proposed here is open to revision and needs to be tested in different development contexts.

### **11.3 SLFT indicators**

Indicators have been widely used in development research to evaluate and monitor development processes (e.g., Innes & Booher, 2000; Valentin & Spangenberg, 2000; Miller, 2001; Choi & Sirakaya, 2005, 2006). This research employed the indicator approach to examine the application of the SLFT. Appropriate SLFT indicators, thus, are very important to ensure this research's reliability. The main way of developing indicators has been the *top-down* approach, e.g., developing indicators from literature and by experts (Dymond, 1997; Farsari & Prastacos, 2001; Choi & Sirakaya, 2005; Cracolici, Cuffaro, &

Nijkamp, 2008; Johnsen, Bieger, & Scherer, 2008). However, there is an increasing appeal to develop indicators using a *bottom-up* approach – developing indicators through local communities – to more precisely reflect the actual situation of the research unit (Innes & Booher, 2000; Valentin & Spangenberg, 2000; Yuan et al., 2003). Both approaches are feasible and have advantages. Given the limitation of time and financial resources, the development of SLFT indicators here, basically followed the top-down approach. All indicators were elicited from literature and drawn on the basis of my own knowledge about the case sites. SLFT indicators include objective and subjective indicators. Objective indicators measure quantitative livelihood data (e.g., income, education level) and subjective indicators evaluate qualitative livelihood information (e.g., community participation, livelihood outcomes). The combined use of both was expected to “mitigate the respective deficiencies of either indicator and provide more accurate and better information ...” (Choi & Sirakaya, 2005, p. 381).

The analysis of data indicates that most SLFT indicators are appropriate and mirrored the case sites’ reality. Some indicators, however, were not consistent with the local situation and some indicators need to be reconsidered. Human asset indicators included ‘life expectancy’ and ‘adult mortality rate’ (see Table 2, pp 79-82). These two indicators are long-term indicators and cannot indicate the changes brought by tourism as most rural tourism destinations only have a short history of tourism development in China. Therefore, these two indicators should be removed. The research results suggest an additional ‘attraction capital’ should be added to the SLFT. Thus, possible indicators for attraction capital include *tourism resource type, utilisation, and access to tourism resources*. Results also suggest that *extent of dependence on tourism* is an important vulnerability context indicator. For livelihood outcome indicators, these indicators were used to measure local residents’ attitude toward outcome sustainability. However, tourism is multi-stakeholder involved. Sustainability should also reflect the TDC’s value and seek the maximum overlap between involved stakeholders. Therefore, livelihood outcome indicators need more consideration, e.g., does the indicator ‘community participation’ interest the TDC and how can this indicator be measured from the perspective of the TDC?

Overall, SLFT indicators are tools used to evaluate and monitor a tourism livelihood system. Indicators developed in this research may not be fully applicable in

other development contexts. However, the indicators have led to a set of benchmarks and can serve as references for the application of the SLFT in other developing countries and regions. In addition, the principles of the SLFT need to be always kept in mind when developing SLFT indicators, namely *people-centred*, *holistic*, *dynamic*, and *sustainable*. Both SLFT indicators and principles are important contributions to the theory and practice of development, particularly when it involves ‘tourism’.

#### **11.4 Future research**

The proposed SLFT aims to be a generic model that bridges the gaps between SL and tourism. Its intention is to provide for broader scale thinking about the complexity and dynamism of a tourism livelihood system in its wider development context. In fact, the tourism context is always case-specific and research and application results may vary widely. Therefore, future research should first evaluate and improve the proposed framework’s applicability in multiple development contexts. Second, the SLFT contains many elements and complex interrelationships. Putting the concept into practice is therefore challenging. The indicator approach is a way to understand and evaluate the application of the SLFT. But SLFT indicators vary with the change of development contexts. The SLFT indicators and the way of developing SLFT indicators are, therefore, of great importance and need to be further studied. Third, a tourism livelihood system is not a closed system. Rather, a rural tourist destination has many interactions with adjacent rural residential areas and may influence people’s livelihoods in these areas. Tourism itself is a global industry and is open to many external pressures – which add to its vulnerability context. Further study needs to be undertaken to examine the implications of the influences and the externality of the SLFT. Fourth, being highly dependent on tourism is risky. If tourism fails, how will local people cope with the tourism impact? If they can revert to historic livelihoods, how will they adapt to the new livelihood when significant changes may have been made to the natural capital, e.g., sealing of fertile land? Knowledge needs to be obtained, and lessons need to be learned, from more cases of tourism-failure to improve the applicability and generalisability of the SLFT.

#### **11.5 Concluding remarks**

This research employed a comparative case study research method to examine the

application of the SLFT in three mountainous rural villages in China. The three villages are all located in Luanchuan County, a county promoted nationally by the Chinese government for its rapid tourism growth and tourism development strategies in recent years. One of the three villages, Chongdugou, was also promoted nationally by the National Tourism Administration of the People's Republic of China (CNTA) as a demonstration village for tourism and rural development. The three villages are respectively at the TALC stages of involvement, development and rejuvenation and provided an ideal setting for implementing the case studies. However, the contexts of tourism development in different rural areas vary. The three villages are not necessarily representative of rural China and the findings may not easily be generalised to other rural tourism destinations. It is noted that the main purpose of this research was to develop the SLFT and test its applicability in practice, and the case studies have fulfilled this purpose. Therefore, future research has been called for to explore the generalisability of the application of the SLFT.

There is a growing interest in tourism and the Sustainable Livelihoods Approach (SLA) in the academic world (e.g., Ashley, 2000; C. Cater & Cater, 2007; Ritchie, 2009; Tao & Wall, 2009). However, most of these contributions view the two issues separately. This research is one of only a few attempts to systematically examine the SLA, tourism, and their combination. This research firstly reviewed the literature on rural development and tourism development. The development stages of rural and tourism development were summarised and the gaps between the SLA and tourism were identified. Second, based on the literature review, the concept of tourism livelihoods and the SLFT were proposed and elucidated. This research also added to the debate on sustainability and community participation in a tourism livelihood system. Third, a set of SLFT indicators were developed to examine the application of the SLFT through the research method of the case study. Finally, the proposed SLFT was revisited and a modified SLFT was developed. Overall, this research is expected to contribute to the academic of development research by developing and understanding knowledge of sustainable tourism livelihoods.

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# **APPENDICES**

**Appendix 1. Human Ethics Approval Letter**

**Appendix 2. Interview Questions**

**Appendix 3. Household Survey Questionnaires**

## Appendix 1. Human Ethics Approval Letter



Research & Innovation Office  
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NEW ZEALAND  
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### HUMAN ETHICS COMMITTEE

Application No: 2006-22

30 August 2006

**Title:** Tourism and the Sustainable Livelihoods Approach :  
Application within the Chinese Context

**Applicants:** Fujun Shen

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*The Lincoln University Human Ethics Committee has reviewed the above noted application.*

Dear Fujun

Thank you for your detailed response to the questions which was forwarded to you on the Committee's behalf.

Having read your responses, I am satisfied on the Committee's behalf that the issues of concern have been satisfactorily addressed.

I am pleased to give final approval to your project and may I, on behalf of the Committee, wish you success.

Yours sincerely

Grant Cushman  
Acting Chair, Human Ethics Committee

cc: Dr Ken Hughey (ESD)  
Prof David Simmons (ESD)  
Dr Keith Morrison (ESD)

**PLEASE NOTE:** The Human Ethics Committee has an audit process in place for applications. Please see 7.3 of the Human Ethics Committee Operating Procedures (ACHE) in the Lincoln University Policies and Procedures Manual for more information.

## Appendix 2. Interview Questions

### 1. Interview questions to governments

- What policies related to rural development and livelihoods has the government made in the last five years? How did they influence rural livelihood strategies and outcomes?  
在过去的五年中，政府制定了什么样的关于农村发展和生计的政策？这些政策怎样影响农村生计的选择？有什么结果？
- For ensuring the implementation of these policies, what measures did the government take, for example financial incentives, regulatory instruments etc.?  
为了确保这些政策的贯彻和实施，政府都采取了什么措施？比如财政支持、调节工具等。
- How does the government evaluate the importance of tourism in rural development?  
政府怎样评价旅游在农村发展中的重要性？
- Are there any conflicts or potential conflicts between the policies on agriculture, forestry, others and on tourism in rural development? What has the government done to mediate these conflicts?  
在农村发展中，在与农业相关的政策和与旅游相关的政策之间有任何冲突或潜在的冲突吗？为协调这些冲突，政府作了什么样的工作？
- What effects do rural tourism policies have on rural livelihood strategies and outcomes?  
有关乡村旅游的政策对农村生计的选择和结果有什么影响？
- What is your viewpoint on the vulnerability context of household livelihoods in rural tourism development? What measures does the government take to strengthen rural people against risks? (local level)  
在以旅游作为主要生计手段的农村发展中，你对于家庭生计脆弱环境的看法是什么？政府采取了什么措施来增强这些地区人口的抗风险能力？
- Is community participation and involvement in the decision-making process in tourism management and governance encouraged by local government? If so, what forms of participation? To what extent does the community get involved? How do you consider the importance of community participation in rural tourism development? (local level)  
地方政府鼓励当地居民参与旅游管理的决策过程吗？如果是的话，是什么形式的参与？什么程度的参与？在乡村旅游发展中，你怎样看待社区参与的重要性？

### 2. Interview questions to tourism enterprises

- What role does the enterprise play in the process of tourism development?  
在旅游发展中，你们企业扮演了一个什么样的角色？
- How does the enterprise deal with the relationship with the local community as a whole as well as with individual members?  
你们企业怎样处理与整个社区及个体成员的关系？

- How do you think that the enterprise influences household livelihood and local community development?  
你认为你们企业怎样影响家庭生计和当地社区的发展？
- Have any conflicts happened or potentially existed between the local community and the enterprise? If so, what effects do these have on the enterprise's development strategy?  
在当地社区和你们企业之间发生过什么冲突或存在有什么潜在的冲突吗？如果有的话，这些冲突对你们企业发展战略有什么影响吗？

### 3. Interview questions to households

- How has tourism influenced your family economically?  
旅游怎样影响你们家庭的经济情况？
- How has tourism influenced your family socially?  
旅游对你们家生活有什么社会影响？
- What change has tourism brought to women's status?  
旅游给妇女的社会地位带来有什么变化？
- Has tourism influenced your access to natural resources (e.g., land, forest etc.)? if so, how?  
旅游影响你们对自然资源的使用吗？如果是的话，怎样影响？
- Are you interested in participating and being involved in tourism management and governance? If so, could you access the decision-making process? and how?  
你有参与到旅游经营与管理中去的兴趣吗？如果是的话，你能够接近决策过程吗？怎样接近？
- What are the constraints that affect your participation and involvement in the tourism decision-making process?  
影响你参与旅游决策过程的限制性因素是什么？
- What are your viewpoints about the role played by a tourism enterprise and local government in local tourism development?  
在当地的旅游发展过程中，对旅游企业和当地政府所扮演的角色，你有什么观点？
- For achieving a sustainable household livelihood outcome, what should the government and tourism enterprises do?  
为了达到可持续的家庭生计结果，你认为政府和旅游企业应该做什么？
- Compared with the livelihoods before tourism, what are main changes you think that tourism has brought to your family?  
和发展旅游前的家庭生计相比较，你认为旅游给你们家庭带来的主要变化是什么？

### Appendix 3. Household Survey Questionnaires

Questionnaire

问卷

Name of Project: Tourism and the Sustainable Livelihoods Approach: Application within the Chinese Context

项目名称: 旅游和可持续生计途径在中国的应用

You are invited to participate in a project called 'Tourism and the Sustainable Livelihoods Approach: Application within the Chinese Context' by completing the following questionnaire.

通过完成下面的问卷，您被邀请参与到“旅游和可持续生计途径在中国的应用”项目中。

The aim of the project is to obtain an in-depth understanding of how tourism works as a livelihood strategy in rural development and further to construct a sustainable livelihood for tourism (SLT) framework to help policy intervention in sustainable development in rural areas. Achievement of this aim is expected to contribute to rural poverty reduction and sustainable rural development in China.

本项目的目标是获得一个关于旅游的深度理解 — 作为一项农村发展生计策略，旅游在农村发展中扮演什么样的角色，起什么作用，从而进一步构建一个可持续旅游生计框架以帮助在乡村地区可持续发展中的政策干预。这个目标的达到期望能够对中国的农村

贫困的削减和可持续发展作出贡献。

Your response to the questionnaire is anonymous, and you will not be identified as a respondent without your consent. If you complete the questionnaire, however, it will be understood that you have consented to participate in the project and consent to publication of the results of the project with the understanding that anonymity will be preserved.

您的回答是匿名的，没有您的同意您将不会被作为一个受访者。如果您完成这个问卷，这将被理解为您同意参与到这个项目中来并且同意这个项目结果的出版，当然所有的信息都是匿名的。

Section 1

第一部分

1. How much is your family income for the last year? \_\_\_\_\_

去年你们家收入是多少?

2. What percent of total income did each of the following income activities account for?

下面每一项经济收入占总收入的多少?

①farm (农业收入)\_\_\_\_\_ ②non-farm business(非农业经营性收入)\_\_\_\_\_ ③remittances (汇款)\_\_\_\_\_

④rental income (出租房屋收入)\_\_\_\_\_ ⑤others (其它)\_\_\_\_\_

3. How many labourers are there in your family? \_\_\_\_\_

在你们家有多少个劳力?

4. How much was your family expense for the last year? \_\_\_\_\_

你家去年总的花费是多少?

5. Please list the first three items on which you spent most money last year:

请列出去年你们支出最多的三个方面：

①

②

③

6. Do you have a loan? If so, how much is it? \_\_\_\_\_

你们有贷款吗？如果有的话，贷款是多少？

7. What type of house does your family own?

你们家有什么类型的房子？

①Single-storey house made of clay (泥土做的单层房)    ②single-storey house made of brick (砖制单层房)

③two-storey building (二层楼房)

④three-storey more building (三层或以上楼房)

⑤others (其它) \_\_\_\_\_

8. What vehicles does your family have?

你们家有什么样的交通工具？

①coach (大客车)

②truck (大卡车)

③car (小汽车)

④tricar (三轮车)

⑤motorcycle (摩托车)

⑥rickshaw (人力三轮车)

⑦bike (自行车)

⑧others (其它)

## Section 2

This section relates to livelihood outcomes. Please rate the level of your agreement with the following items. *(mark each item please)*

这个部分和生计结果相关，请就下列选项给出你的同意程度。（请标记每一个选项）

Items	Case study sites	Strongly disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly agree (%)	Mean	Std. Deviation
9. Tourism brings more economic benefit to our family than existed before tourism. 和发展旅游之前相比，旅游给我们家庭带来更多的经济利益。	Guangxing (n=165)	3.03	45.45	38.18	10.91	2.42	2.64	0.81
	Yangzigou (n=59)	0.00	6.78	3.39	50.85	38.98	4.22	0.81
	Chongdugou (n=121)	0.83	2.48	10.74	51.24	34.71	4.17	0.78
	Total (n=345)	1.74	23.77	22.61	31.88	20.00	3.45	1.11
10. Tourism diversified our family's livelihood choice. 旅游使我们的家庭生计选择多样化。	Guangxing (n=165)	1.21	27.88	38.79	30.91	1.21	3.03	0.83
	Yangzigou (n=59)	0.00	5.08	6.78	77.97	10.17	3.93	0.61
	Chongdugou (n=121)	0.00	1.65	0.83	76.86	20.66	4.17	0.51
	Total (n=345)	0.58	14.78	20.00	55.07	9.57	3.58	0.88
11. Tourism creates more job opportunities for us than were available prior to its development. 相比较于旅游发展之前，旅游给我们创造了更多就业机会。	Guangxing (n=165)	0.00	38.79	44.85	16.36	0.00	2.78	0.71
	Yangzigou (n=59)	0.00	5.08	6.78	76.27	11.86	3.95	0.63
	Chongdugou (n=121)	0.00	1.65	2.48	76.86	19.01	4.13	0.52
	Total (n=345)	0.00	20.00	23.48	47.83	8.70	3.45	0.91
12. The prices of local products (like food, medicine) and services (like educational services) have increased because of tourism development. * 由于旅游的发展当地产品(如食品,药)和服务(如教育设施)的价格增加了。	Guangxing (n=165)	1.82	41.82	40.61	15.76	0.00	2.70	0.75
	Yangzigou (n=59)	0.00	40.68	49.15	10.17	0.00	2.69	0.65
	Chongdugou (n=120)	4.17	70.00	23.33	2.50	0.00	2.24	0.57
	Total (n=344)	2.33	51.45	36.05	10.17	0.00	2.54	0.71
13. The region has better infrastructure (like roads, electricity, water, public transport) due to tourism. 由于旅游这个地区有了较好的基础设施（如道路、电、水、公共交通）。	Guangxing (n=165)	0.00	0.61	2.42	50.91	46.06	4.42	0.58
	Yangzigou (n=59)	0.00	1.69	0.00	64.41	33.90	4.31	0.56
	Chongdugou (n=121)	0.00	0.00	0.83	62.81	36.36	4.36	0.50
	Total (n=345)	0.00	0.58	1.45	57.39	40.58	4.38	0.55
14. Education and medical services have become more available in general since the development of tourism. 自从旅游的发展发来，总的来说教育和医疗服务变得更便利了。	Guangxing (n=165)	0.00	7.88	13.94	72.12	6.06	3.76	0.68
	Yangzigou (n=59)	0.00	15.25	27.12	55.93	1.69	3.44	0.77
	Chongdugou (n=121)	0.00	7.44	41.32	50.41	0.83	3.45	0.64
	Total (n=345)	0.00	8.99	25.80	61.74	3.48	3.60	0.70
15. I have more educational opportunities (like vocational training) due to tourism development.	Guangxing (n=165)	0.00	43.64	37.58	15.15	3.64	2.79	0.83
	Yangzigou (n=59)	0.00	25.42	15.25	59.32	0.00	3.34	0.86
	Chongdugou	0.00	39.67	14.88	45.45	0.00	3.06	0.92

由于旅游的发展，我有了更多的受教育机会（如职业培训）。	Total (n=345)	0.00	39.13	25.80	33.33	1.74	2.98	0.89
16. It's easier to access information valuable to our livelihoods because of tourism development. 由于旅游的发展，对我们生计有价值的信息变得更容易接近了。	Guangxing (n=165)	0.00	13.33	38.79	46.67	1.21	3.36	0.72
	Yangzigou (n=59)	0.00	6.78	27.12	64.41	1.69	3.61	0.64
	Chongdugou (n=121)	0.00	4.96	17.36	70.25	7.44	3.80	0.64
	Total (n=345)	0.00	9.28	29.28	57.97	3.48	3.56	0.71
17. Tourism has increased the level of criminality, alcoholism, vandalism etc. * 由于旅游，当地的犯罪、酗酒、暴力等现象增加了。	Guangxing (n=165)	0.61	4.24	18.18	70.91	6.06	3.78	0.65
	Yangzigou (n=59)	0.00	15.25	5.08	42.37	37.29	4.02	1.03
	Chongdugou (n=121)	0.83	21.49	4.96	45.45	27.27	3.77	1.10
	Total (n=345)	0.58	12.17	11.30	57.10	18.84	3.81	0.90
18. Tourism negatively influences norms and values in our area. * 旅游负面地影响了我们这儿的道德和价值观。	Guangxing (n=165)	0.00	3.03	17.58	76.36	3.03	3.79	0.54
	Yangzigou (n=59)	0.00	6.78	13.56	52.54	27.12	4.00	0.83
	Chongdugou (n=121)	0.83	26.45	11.57	52.89	8.26	3.41	1.00
	Total (n=345)	0.29	11.88	14.78	64.06	8.99	3.70	0.81
19. Local traditions and culture have become less important because of tourism. * 因为旅游的发展，当地的风俗和文化变得不太重要了。	Guangxing (n=165)	0.00	3.64	27.27	67.27	1.82	3.67	0.58
	Yangzigou (n=59)	0.00	8.47	18.64	64.41	8.47	3.73	0.74
	Chongdugou (n=121)	1.65	18.18	12.40	56.20	11.57	3.58	0.97
	Total (n=345)	0.58	9.57	20.58	62.90	6.38	3.65	0.76
20. Tourism has increased community solidarity. 旅游增加了社区的团结。	Guangxing (n=165)	0.61	26.67	55.15	17.58	0.00	2.90	0.68
	Yangzigou (n=59)	0.00	40.68	28.81	30.51	0.00	2.90	0.84
	Chongdugou (n=121)	3.31	38.84	41.32	15.70	0.83	2.72	0.80
	Total (n=345)	1.45	33.33	45.80	19.13	0.29	2.83	0.75
21. People have become less trusting since the launch of tourism. * 自从旅游开发以来，人们之间相互变得不太信任了。	Guangxing (n=165)	0.00	7.27	34.55	56.36	1.82	3.53	0.66
	Yangzigou (n=59)	5.08	45.76	28.81	20.34	0.00	2.64	0.87
	Chongdugou (n=121)	4.13	56.20	28.10	11.57	0.00	2.47	0.75
	Total (n=345)	2.32	31.01	31.30	34.49	0.87	3.01	0.89
22. People who have immigrated to our village from outside because of tourism bothered me. * 因为旅游开发而从外面移居过来的人很使我烦恼。	Guangxing (n=165)	0.00	3.03	30.30	64.85	1.82	3.65	0.57
	Yangzigou (n=59)	1.69	30.51	37.29	28.81	1.69	2.98	0.86
	Chongdugou (n=121)	11.57	37.19	30.58	20.66	0.00	2.60	0.94
	Total (n=345)	4.35	19.71	31.59	43.19	1.16	3.17	0.91
23. Woman's status improved after the arrival of tourism. 有了旅游后妇女的地位得到了提高。	Guangxing (n=165)	1.21	33.33	55.15	10.30	0.00	2.75	0.65
	Yangzigou (n=59)	0.00	3.39	22.03	67.80	6.78	3.78	0.62
	Chongdugou (n=121)	0.00	0.83	9.09	83.47	6.61	3.96	0.44
	Total (n=345)	0.58	16.81	33.33	45.80	3.48	3.35	0.82

24. Because of tourism we have more recreational facilities built for local residents. 因为旅游我们有了更多为当地居民建造的娱乐设施。	Guangxing (n=165)	1.82	55.76	32.73	8.48	1.21	2.52	0.73
	Yangzigou (n=59)	0.00	42.37	28.81	28.81	0.00	2.86	0.84
	Chongdugou (n=121)	2.48	33.06	17.36	47.11	0.00	3.09	0.95
	Total (n=345)	1.74	45.51	26.67	25.51	0.58	2.78	0.87
25. Tourism development in the area makes the surrounding landscape more attractive. 当地旅游的发展使周围的环境变得更加好看。	Guangxing (n=165)	0.61	15.76	10.30	64.85	8.48	3.65	0.87
	Yangzigou (n=59)	0.00	0.00	0.00	54.24	45.76	4.46	0.50
	Chongdugou (n=121)	0.00	2.48	4.13	45.45	47.93	4.39	0.69
	Total (n=345)	0.29	8.41	6.38	56.23	28.70	4.05	0.84
26. Tourism causes pollution of the local environment (water, soil and air). * 旅游导致了当地环境的污染（水、土壤和空气）。	Guangxing (n=165)	0.00	7.27	16.36	71.52	4.85	3.74	0.66
	Yangzigou (n=59)	0.00	42.37	13.56	44.07	0.00	3.02	0.94
	Chongdugou (n=121)	1.65	38.84	9.09	47.93	2.48	3.11	1.01
	Total (n=345)	0.58	24.35	13.33	58.55	3.19	3.39	0.91
27. Tourism contributes to better waste management in the region. 旅游为改善当地的废物管理做出了贡献。	Guangxing (n=165)	1.82	72.12	16.97	8.48	0.61	2.34	0.69
	Yangzigou (n=59)	0.00	1.69	0.00	98.31	0.00	3.97	0.26
	Chongdugou (n=121)	0.00	0.83	0.83	71.90	26.45	4.24	0.50
	Total (n=345)	0.87	35.07	8.41	46.09	9.57	3.28	1.07
28. The number of visitors results in disturbance to plants and animals. * 大量的游客导致了对当地动植物的干扰。	Guangxing (n=165)	0.00	7.27	26.06	64.85	1.82	3.61	0.65
	Yangzigou (n=59)	0.00	28.81	15.25	55.93	0.00	3.27	0.89
	Chongdugou (n=121)	0.00	28.93	9.09	61.98	0.00	3.33	0.90
	Total (n=345)	0.00	18.55	18.26	62.32	0.87	3.46	0.80
29. Increasing exhaustion of water and energy resources was caused by tourist activities. * 对水和能源逐渐增加的消耗是由旅客的活动导致的。	Guangxing (n=165)	0.00	5.45	25.45	67.88	1.21	3.65	0.60
	Yangzigou (n=59)	5.08	64.41	22.03	8.47	0.00	2.34	0.71
	Chongdugou (n=121)	6.61	76.03	11.57	5.79	0.00	2.17	0.62
	Total (n=345)	3.19	40.29	20.00	35.94	0.58	2.90	0.95
30. As a result of tourism development, people's awareness of environmental protection improved. 作为旅游发展的一个结果，人们的环境环境保护意识变强了。	Guangxing (n=165)	0.61	12.73	23.03	60.61	3.03	3.53	0.78
	Yangzigou (n=59)	0.00	0.00	6.78	81.36	11.86	4.05	0.43
	Chongdugou (n=121)	0.00	0.00	3.31	61.98	34.71	4.31	0.53
	Total (n=345)	0.29	6.09	13.33	64.64	15.65	3.89	0.74
31. Tourism development has made me more aware of opportunities to contribute to participation in management and governance. 因为旅游的发展，我对整个社区旅游	Guangxing (n=165)	0.61	27.88	33.33	37.58	0.61	3.10	0.84
	Yangzigou (n=59)	0.00	5.08	13.56	74.58	6.78	3.83	0.62
	Chongdugou (n=121)	0.00	4.96	16.53	70.25	8.26	3.82	0.65
	Total (n=345)	0.29	15.94	24.06	55.36	4.35	3.48	0.82

经营和管理的参与意识变强了。								
32. Participation in tourism decision-making and governance is encouraged by local authorities. 我们参与旅游决策和管理受到当地政府的鼓励。	Guangxing (n=165)	0.61	62.42	25.45	10.91	0.61	2.48	0.72
	Yangzigou (n=58)	1.72	29.31	17.24	51.72	0.00	3.19	0.93
	Chongdugou (n=121)	3.31	24.79	19.01	52.89	0.00	3.21	0.93
	Total (n=344)	1.74	43.60	21.80	32.56	0.29	2.86	0.91
33. I feel I can access the decision-making process to influence tourism development in the district. 我觉得我能够接近决策过程去影响我们这个地方的旅游发展。	Guangxing (n=165)	4.24	63.03	26.67	6.06	0.00	2.35	0.66
	Yangzigou (n=59)	13.56	72.88	8.47	5.08	0.00	2.05	0.65
	Chongdugou (n=121)	24.79	70.25	4.13	0.83	0.00	1.81	0.54
	Total (n=345)	13.04	67.25	15.65	4.06	0.00	2.11	0.66
34. There is good communication and coordination among parties involved in the policy and decision making processes. 在政策制定和决策过程中，参与的不同群体之间有好的交流和协调。	Guangxing (n=165)	0.00	33.33	47.88	18.79	0.00	2.85	0.71
	Yangzigou (n=59)	10.17	35.59	40.68	13.56	0.00	2.58	0.86
	Chongdugou (n=121)	10.74	28.93	37.19	23.14	0.00	2.73	0.94
	Total (n=345)	5.51	32.17	42.90	19.42	0.00	2.76	0.83
35. Unfair social phenomena have increased since the development of tourism. * 自从旅游发展以来，不公平的社会现象变多了。	Guangxing (n=165)	0.61	13.33	42.42	43.03	0.61	3.30	0.73
	Yangzigou (n=59)	6.78	54.24	28.81	10.17	0.00	2.42	0.77
	Chongdugou (n=120)	9.17	64.17	21.67	5.00	0.00	2.23	0.68
	Total (n=344)	4.65	38.08	32.85	24.13	0.29	2.77	0.88
36. Distribution of economic benefits generated by tourism is fair. 由旅游产生的经济利益的分配是公平的。	Guangxing (n=165)	4.24	43.64	44.85	7.27	0.00	2.55	0.69
	Yangzigou (n=59)	3.39	33.90	44.07	16.95	1.69	2.80	0.83
	Chongdugou (n=121)	4.96	38.84	37.19	19.01	0.00	2.70	0.83
	Total (n=345)	4.35	40.29	42.03	13.04	0.29	2.65	0.77
37. Overall, I am satisfied with the tourism programme and I think it is sustainable according to its current development trend. 总的来说，我很满意这个旅游项目，按照当前的发展趋势来看它是可持续的。	Guangxing (n=165)	0.61	1.21	16.97	70.30	10.91	3.90	0.61
	Yangzigou (n=59)	0.00	6.78	38.98	52.54	1.69	3.49	0.65
	Chongdugou (n=121)	0.00	0.83	35.54	63.64	0.00	3.63	0.50
	Total (n=345)	0.29	2.03	27.25	64.93	5.51	3.73	0.60

38. How many members are there in your family? \_\_\_\_\_

你们家中有多少人? \_\_\_\_\_

39. In what year were you born? \_\_\_\_\_

你什么时候出生? \_\_\_\_\_

40. What is your gender?

您的性别是?

Female (男) \_\_\_\_\_

Male (女) \_\_\_\_\_

41. Education

受教育程度

Primary school (小学) \_\_\_\_\_

Junior school (初中) \_\_\_\_\_

Senior school 高中( )

University 大学( )

Others 其它 \_\_\_\_\_

42. How long have you been living in this village? \_\_\_\_\_

你在这个村已经居住了多久

43. Thank you very much for your time. Would you like to add something else to the topic?

非常感谢您的时间。您还有其它需要补充的吗?