

CHAPTER IV

INSTITUTION FORMATION IN CHINA'S TRANSFORMATION PROCESS

In this chapter, I will discuss the tourism management institution within the context of China's transformation process, to see how national heritage management institutions leave negotiation space for the controversial formation of historic-village tourism management institution; how the reform of government function or democratic construction impacts upon various stakeholders' behaviors and perceptions; how the transformation changes social network and social capitals which are important factors for cooperation, and; finally I will analyze the noncooperation among villagers in Tuanshan from the perspective of China's transformation.

4.1 Heritage Tourism Management Institution and Models in China

Historic-village tourism is one part of cultural heritage tourism. So, before we discuss the models of tourism management in the historic village, we have to first be concerned about the broad heritage management institution in China. In the following, I will introduce this issue first, and then make it more specific in the field of historic village tourism.

4.1.1 Heritage Management Institution in China

Chinese heritage management institutions follow the management mode of the former Soviet Union, and also reflect the character of the Chinese government administration system. All resources of cultural relics, forests and places of interest nominally belong to the state. However, administrative government at various levels, from central, provincial, municipal government, to county government, may operate the management of these resources. There are several bureaus, such as construction, culture, cultural relic, forestry, environmental protection and tourism bureaus, taking

charge of the same heritage site. These government departments are the owners and guardians of the resources, and at the same time are the managers and business operators (Wang, Xingbin 2002:18).

In the Chinese heritage management system, there are three branches: the museum system under the charge of the national cultural relic bureau; the nature protection region system under the charge of the national environment protection bureau and forest bureau; and historic-city and place of interest systems under the charge of construction bureau (Xu 2003a). Historic-village tourism is one part of cultural heritage tourism. Theoretically speaking, it should be managed and constructed directly by the construction bureau. However, since it involves many affairs, such as cultural relics, as well as tourism and environment, in reality, several bureaus may manage it.

Heritage management has been considered a commonwealth affair since: 1) all the resources belong to the state; 2) the protection, management and development are taken in charge of by the government; 3) the operation staff is managed in the system of government officers; 4) all heritage sites are free to be opened to the public or at a very minimal charge. The department of heritage management takes several responsibilities together: resource protection, education base, tourism, development of community economy, resolving employment problems and community management (Wang, Xingbin 2002:18).

However, since the mid-1990s, this heritage management institution has been considered incompatible with the fast growth of heritage tourism all over the country due to the inefficient system of business management. So, a reform in the heritage management institution, aiming to develop heritage tourism has been carried out in some regions of China. According to Xu (2003a), one school in this reform can be called a “property transfer school”, which argues to separate the ownership, management rights and business operation rights of the heritage. Ownership belongs to the state, and management rights are shared by several government departments,

however, the tourism operation rights can be transferred to a company under certain preconditions that the company has to fulfill some responsibilities, such as resource protection, environmental conservation and other social responsibilities (Wang, Xingbin 2002). The underlying logic of this argument is that since the cultural and natural heritage is an economic resource, the business operation should be managed according to the principles of the market (Xu 2003a:63). This notion has been accepted and carried out in many places. However, since the reform practices always result in the damage of heritage, destruction of public interests, and even corruption, the upper levels of government and scholars in cultural, environmental, and economical academia also criticize it. Many opposite arguments fall in the category of “national park school”, which emphasizes the non-economic value of heritage, i.e. education value and spiritual value for public, and prefer America’s “national park system” as the best heritage management mode (Xu 2003a: 64).

The two schools are both based in economic fields that the “national park school” stands on a property rights regime while “property transfer school” settles on a market institution, arguing to leave heritage management to the market operation (Xu 2003a).

With respect to the economic characteristics of heritage, including public interests, cultural and economic values, cultural-value direction in heritage management, scarcity and so on, Xu argues the one that is responsible for heritage management and business operation should follow the institution of “non-profit organization” (Xu 2003a: 67). The meaning of this “non-profit organization” in heritage management includes: 1) the business operation should be cultural-value directed but not profit directed; 2) it should follow the principle of commonwealths, and pursue economic benefits to a permitted extent; 3) profit will be not distributed but should be invested into heritage construction or public welfare; 4) it has the right to get government subsidies and social donation.

However, he considers since heritage has the function of education and

communication, which satisfies people's needs of cultural and spiritual consumption, heritage management bodies should provide cultural and spiritual services, which in fact are consumption services and belongs to the regime of business management. As a result, heritage management encounters the issue of business promotion, and the heritage industry comes into being (Xu 2003b). Xu divides services in heritage tourism into two categories: heritage displays, which he argues should be the main management content for a non-profit organization, and supportive services, such as food, accommodation, travel, shopping and entertainment, the management of which should be transferred to local community or company (ibid).

In summary, heritage management institution in China is under hot debate and some trial reforms have been undertaken. The property relation is the focus in debate. Several arguments emerge and have their own supporter, including "property transfer school", "national park school", and "non-profit organization school". The existing institution is challenged and what should be the suitable institution for heritage management in China is still not clear.

4.1.2 Models of Tourism Management in Historic Village

Those introduced above are the general background and debates towards heritage management in China. Specifically in case of historic village tourism, many detailed models have been discussed. In Zhu's thesis "A comparative study on character and tourism development process of traditional villages and towns resorts", he compared several models of historic-village tourism management as displayed in Table 4.1 (Zhu 2006:37).

He further proposed that factors influencing the choice of different models are: 1) local economic development level. If the level is high, the requirement of outside invest is low; 2) demands of local community development, which include benefit-sharing institutions, resource and environmental protection requirement, management of immigrant populations, satisfaction of employment, protection local

cultures, and appropriate community participation in decision-making; 3) tourism development direction and level; 4) geographic location (Zhu 2006).

Table 4.1 Categories of Historic-Village Tourism Management Model

Management Form	Advantage	Disadvantage	Case
Management committee (traditional model of heritage management)	1. Resource is protected by government; 2. little harm to resource	1. No market operation; 2. Low efficiency; 3. lack of funds for conservation	-
Village corporation	1. Familiar with resource; 2. easy to develop it pertinently; 3. enhance local people's protection consciousness	1. Low capability of management; 2. Lack of funds for invest and protection; 3. Inadequate marketing	Xidi; Zhouzhuang
Local company	1. Own certain number of funds; 2. Relatively familiar with the resource;	1. Difficult to balance the relation between development and conservation; 2. Difficult to integrate with other destinations in a broader region	Chengkang
Outside company	1. Adequate funds; 2. Plenty of information; 3. Experienced in marketing	1. Difficult to balance the relation between development and conservation	Hongcun
Share-stock company	Efficient development;	1. Conflict prone among stakeholders; 2. Need to pay attention to the relationship between government and company	Tangmo

Taking the comparison of Zhouzhuang village and Xidi village as an example, he proposed the management model that the villages should choose in the Table 4.2 (Zhu 2006:41):

Table 4.2 Comparison of Management Model Choice in Zhouzhuang and Xidi

Town	Economic situation (2002)	Demands of community participation	Structure of industries	Geographic location	Management model
Zhouzhuang	GDP:850 billion	High	Balance among three industries	good	Village corporation
Xidi	Government finance income: 5.89 billion	high	The third industry is outstanding	Not so good	Share-stock company and outside big company hold the majority stock

To make it simpler, Cheng et al. classified two models of tourism development in historic villages based on different main development bodies: villager self-development models and local government invest-to-development models. They compared economic, social and environmental effects under the two models and concluded that the first model is better than the second one based on integration assessment (Chen et al. 2005).

Similar to the classification in Cheng et al's paper, in Ying's thesis, he elaborated on the development situation in two villages, Xidi and Hongcun (Ying 2006). In Xidi village, villagers initially developed tourism in 1986 and refused to release the rights of tourism development and management to the local government. Villagers controlled all affairs of tourism development, which Ying called the "endogenous model". In Hongcun village, although villagers also tried to develop tourism by themselves around 1986, they did not see much success and then appealed to the government. Later, the government took over control of tourism in Hongcun and an external company came to develop this village. This model is called the "exogenous model".

In the first model, community participation is a question mainly within the community and participation is related to the collective action in the community since the tourism company is a collective company belonging to all villagers. In theory, everyone participates or should participate in this collective action. And in practice, this model is demonstrated to be efficient, helpful to enhance villagers' sense of environmental and cultural heritage conservation, and it benefits villagers a lot, although there are also some limits for its further development, such as limited funds for further development and conservation, and lower professional development and management technique (Ying 2006).

However, in the second model, the government, external capital and the community become the three main stakeholders in tourism development. Whether the community can be seen as a stakeholder or a participant in tourism management (or to what extent) and become something controlled by the powerful stakeholders, such as the government or external capital. According to the case of Hongcun studied by Ying, this model causes serious conflict between villagers and external capital towards benefit sharing and community-integral development in terms of environment and heritage conservation and development of people's livelihood.

It does not conclude that the endogenous mode is the most suitable way for ancient-village tourism in China. However, one point that needs to be paid attention to is that neither the management model nor the rights to develop historic village tourism is clearly fixed. As introduced above, heritage management institution in China is under hot debate and some trial reforms have been carried out. The existing institution is challenged and what should be the suitable institution for heritage management in China is still not clear. This leaves a possible space for negotiation.

4.2 Development of Tourism Management Institution in Tuanshan

After introducing the broad background of heritage management institution in China and different models of tourism management in the historic village, in this

section, I will go into detail to discuss the tourism management institution in Tuanshan.

4.2.1 Internal Management Institution

As discussed in Chapter one, institution is “rules of the game” (Leach, et al. 1999:237), and more precisely is “regularized patterns of behavior” (Mearns, 1995, cited from Leach et al.1999). It is constructed and maintained by people’s active investment and people’s everyday practice is helpful to consider institutional dynamics and to display a holistic picture of institutional arrangement (Leach et al.1999).

In Tuanshan, all tourism related affairs are managed by the single TMC, which includes selling entry tickets and managing the tourism income, managing workers in the TMC, negotiating with individual households to open their house for tourists, monitoring households and individuals not to violate the “*Cungui Minyue*” of the village and the “Tuanshan village sanitation agreement” or any improper behaviors facing tourists and for tourism development, contacting and receiving outside organizations or upper government departments, such as the tourist agencies, AVC, Township government, Tourism bureau and construction bureau at county level, researchers, newspaper agencies and so on.

The TMC does not involve supportive services, i.e. food, accommodation or entertainment, but leaves those to the villagers who would like to operate their corresponding businesses. It only involves partly in the heritage displays, since most of that still relies on the households who own the heritage house and it just requires these households to maintain clean and tidy areas, and it is just in charge of the display of the collective property, such as the garden part of Zhang’s Family Garden, Zhang’s family ancestral hall, and so on. This way of management can be seen as the traditional way of the management committee in Table 4.1.

According to a committee member, the main regulations for management are the “*Cungui Minyue*” of the village and “Tuanshan village sanitation agreement”, which hang on the wall of the committee office and generally state the villager’s duties in order to keep the village clean and harmonious. Strictly speaking, the two regulations can not be said as the rules of tourism management. So, there are no formally written regulations for TMC managing tourism in Tuanshan.

However, once a management institution exists, there should be some ways or rules that it manages resources, i.e. rules in use. These rules in use are developed gradually in the process of resolving problems that encounter the management. Since tourism is managed by TMC, government departments do not involve directly into the making of these rules but just play a role of monitoring. The most obvious one is that to take some measures to motivate households living in old big houses keeping clean and tidy. In the past, in responding to the villagers who refuse to open their doors to tourists at the very beginning, the former director adopted a strategy that some subsidies were given to some households in important stops along the tourist route once a year according to the acreage of their house. For the current director, the subsidies are turned into cleaning fees, which means households living in the old big houses will get it by keeping their yards clean. One yard will be paid 10 Yuan monthly. Since there are usually several households in one yard, they will share the money every month.

Since the TMC takes over the rights of tourism management in Tuanshan village and the tickets for the whole village, except Mao’s family, is sold by it, villagers lose the rights to gain direct tourism income by selling tickets for their own houses. Consequently, the ways that they may benefit from the tourism resources are either to sell tourist products, to open restaurants, or through redistribution of income by the TMC. However, there are no regulations from the TMC for the businesses operating in the village. Villagers can choose the way to operate businesses, the price of their products and so on. Lack of regulation at this point resulted in several

negative behaviors. For instance, in the early years of developing tourism, several old women might have gathered around the tourists, trying to sell their foot binding shoes. They bid down the price among themselves and finally sold at a very low price. As we know, one important attraction of the historic village for tourists is that it seems “intact”, outside of the influence of modernization and conserving the traditional cultures. Tourists from modern cities would like to experience the peaceful life and friendly relationship in historic villages. So, this kind of behavior will make tourists’ pleasant impressions decline. And at the same time it reduces the sellers’ profits. Later, with the negotiation of TMC, some sellers took another strategy that instead of always gathering together at one place, each one stayed at their own place, such as the platform in front of Zhang’s Family Garden, or in Zhang’s ancestral hall, or the yards they live in, and tourists would always pass by. So tourists will find the tourist products along the route and buy whenever they want to in a relative casual and pleasant atmosphere. And the sellers can keep the price at a relatively stable level. However, this also causes another problem, that since the sellers just stay at one place, such as the yards they are living in, if tourist guides do not lead tourists into, or tourists themselves are not going to their yards, they will have no chance to sell their products. Consequently, some sellers may accuse some tourist guides for not leading tourists to their yards. Or some villagers may carry their products to other yards if they heard a group of tourists would not come to their yards. Since they always just move to the yards next to theirs and in the same big house, the hosts who also sell the same products are reluctant to argue against the invaders.

In addition to problems in selling souvenirs, lack of regulations towards business operations also results in vicious competition among restaurants as shown in Chapter two. Owners of restaurants applied many sly tricks to draw in tourists.

As for redistribution of tourism income by TMC, there is no definite rule. And actually, according to villagers, they only got benefit sharing twice within a seven-year period. If there is much money left at the end of a year, the TMC may

propose a redistribution scheme and several leaders will discuss it. If the Township government approves this scheme, then the TMC will distribute money to the villagers correspondingly. For those two times, every villager got the same amount of money equally, ten Yuan once and seven Yuan another time.

As we see, since the direct distribution is very small, and the income from the business operation is also not much due to small numbers of tourists and limited kinds of tourism products, job opportunities in the TMC have become the most efficient way to gain tourism benefits since it ensures several hundred Yuan in income every month. However, the one who can get the job is not decided by any regulation but it is up to the committee members to a large extent. Meanwhile, with the argument that some incentives should be given to people who occupy the old big houses in order to make them support tourism development, most jobs are given to villagers who are living in these houses.

There are formally 15 villagers working under the committee currently and getting monthly salaries, including 4 committee members, 2 ticket sellers, 6 tourist guides, 2 gatekeepers, and 1 parking lot keeper. There are also two cleaners per day taking responsibility to clean the streets and other public areas, and getting 10 Yuan per person. All women in the village can register to do this work and they have to wait in line.

Among these workers, two ticket sellers are from *Xiucai*'s house which is in the current director's alliance; one gate keeper just entering into the TMC in late 2007 is the daughter-in-law of a committee member, one of the retired government officers in the TMC; another gate keeper is the wife of former director; the parking lot keeper is the forth team leader whose wife is a close relative of the current director. Of the six tourist guides, two are from "Zhang's Family Garden"; one is from "the General's Mansion"; one is from the "Battalion Commander's Mansion"; while one is from the "Emperor Kindness House". While it seems reasonable for such choice, that is to motivate them open their houses and join in tourism, this kind of result further reinforces some villagers' perception that benefit always goes to the households that own old big houses and have a good relationship with the leader.

Consequently, those rules-in-use lead to competition between the most powerful and beneficial positions—TMC director, and the competition results in the changing of the TMC (see in section 2.4.3 and table 2.1).

Monitoring and sanctions are important parts in management of the institution. Generally speaking, TMC is responsible for monitoring villagers' behavior to ensure they do not violate general requirements in tourism development, such as keeping the yard clean, that they do not sell cultural relics or destroy tourist attractions and scenes. When the TMC was just set up, every worker relied on upper government support, especially sanctions, either from AVC or the township government. If there villagers violated the rules or did something harmful for tourism development, TMC members would try to persuade them to correct themselves. If they failed, they would appeal to the government officers or even policemen. For instance, at the very beginning, some households refused tourists by closing doors or making some obstruction in front of the door, and could not be persuaded by committee members in the TMC. The former director appealed to the Township government and finally the government officers and policemen came and successfully persuaded them. This helped the TMC to build up authority with the villagers. At the same time, the former director took some measures to benefit the villagers, such as giving some subsidies to the households who open for tourists, and supporting some public welfare in the village, such as paying the water fees for villagers annually, supporting the ancestor worship ceremony and *Chongyang* festival ceremony. Gradually, villagers accepted this TMC to manage tourism development and were willing to open their houses for tourists. Besides that, the former TMC successfully halted some new house constructions, which were considered to be destroying the tourist scenes.

However, this mode of villagers self-managing and the government helping to enforce regulations failed due to some challenges from proactive and empowered villagers. Later, it was taken over by the township government completely. The

government directly managed ticket selling and staffs, as well as monitoring and sanctions. But soon, stronger resistance forced the government to give up their direct control. Finally, villagers got back their control over the resource. And later, villagers elected the TMC members. However, due to the flaws during voting, the villagers questioned the validity of the TMC. Some reforms and behaviors of the current TMC further destroyed villagers' confidence towards the TMC. Consequently, monitoring and sanctions from the TMC generally failed to function until now. In 2007, several households built two-layer concrete houses which were forbidden. However, the TMC members were reluctant to interfere and did not report to corresponding government departments. Villagers said even if the committee would like to intervene, no one would listen to them.

To summarize the above, the management institution in Tuanshan is quite ambiguous. It has changed several times but still does not make the regulations of tourism management clear, especially the incentives, monitoring, and sanctions. This can be understood from villagers' perceptions of the TMC. Generally speaking, most villagers do not have a clear idea about the way that this committee operates and the rules of tourism management, so they perceive the management institution very differently according to their own understanding. As for the responsibilities that the committee undertakes, some villagers have no idea; some villagers think the committee is only in charge of selling entrance tickets and paying salaries to those working in it; some think the committee manages the hygiene of old houses, for instance, making the residents clean their yards and paying them cleaning fees. Generally, villagers argue the committee neither takes charge of the conservation of old houses, nor does it has the capability to manage.

4.2.2 Stakeholders analysis in Tourism Management Institution

After understanding the internal management institution of TMC in Tuanshan, it is better to broaden the view to involve outside stakeholders to analyze the

management institution formation and the conflicts emerging. So in this part, I will identify stakeholders pertinent to Tuanshan tourism, and discuss their roles in the tourism development and the management institution formation.

Stakeholder theory has been introduced in tourism research since 1980s (Li and Zheng 2007). It is intimately related to the promotion of sustainable tourism development, which emphasizes the equity of development opportunities both between generations, and within a generation. According to Freeman, a stakeholder refers to “any person or group that may influence or be influenced by the realization of organization object” (ibid). Involvement of all stakeholders, especially the key stakeholders, and to balance interests among these stakeholders are requirements of successful tourism development. In this case, stakeholders may influence the tourism management institutions it chooses and play a role in the failure or success of its operation.

Many scholars have discussed the stakeholder identification in tourism development and many models have been put forwards. Generally speaking, local governments, investment companies, staff in management bodies (corporation), communities, tourists and researchers were always considered to be the main stakeholders (Huang 2004; Li and Cai 2007). To make it more relevant with the situation in Tuanshan village, I will differentiate stakeholders into three categories: one is the outside stakeholders including researchers, township governments, tourism bureaus at the county level, construction bureaus at county levels and the AVC, tourists and international agents of heritage conservation, i.e. WMF; another group is the inner stakeholders including proactive and empowered villagers, semi-proactive villagers, proactive but powerless villagers, defensive villagers and neutral villagers; the other is stakeholder in-between, that is TMC which links the inner stakeholders and outside stakeholders.

4.2.2.1 Researchers

Researchers here include literates, photographers and journalists at all levels.

They have played a significant role in Tuanshan tourism development. As introduced in chapter two, it is local literates (also government officers) who promote tourism in Tuanshan. And foreign photographers help to enhance the image of Tuanshan village and introduce it into an international level. Later, with the tourism development, other cultural literates at the provincial level involved Tuanshan into their works which on the one hand promote the image of Tuanshan, and on the other hand cause, to a certain extent, conflicts between the Zhang family and the Mao family. Mao always argues that some literates distorted the history of his family and the value of his house, as well as attacked his reputation by saying he is a person “to speak without guard on his mouth, always doing something special and going on his own way” in a tourist brochure.

Seeing the opportunity, some experts in tourism planning also went to the village and some companies have worked out the development and conservation program plans. However, as experts observed, the conflict existing in the village may impede its tourism development and if the development project is finally carried out, the relationship between residents and the investment company will be considered carefully to benefit both villagers and the company (Li et al. 2005).

4.2.2.2 Township government

The role of the township government in Tuanshan tourism has changed a lot as introduced in chapter two. At the beginning, it was the supervisor and director of tourism management. In 2000, it appropriated some funds for opening restaurants in the village. It is said at the beginning, the funds would like to support five households to open restaurants and give five thousand Yuan for each. However, only four households were chosen and got the funds, which were *Zhiwen* Garden, Emperor Kindness House, *Xiucai*'s House, and another family who is a neighbor of the emperor kindness house and *Xiucai*'s House. And due to some other reasons, only two restaurants were opened finally, which are Emperor Kindness House and *Zhiwen* Garden.

It also implemented some projects directly, such as the “Tuanshan protection and tourism development project”. In 2004, it became the one managing the tourism directly. However, not long after, it gave up the position and retreated as the supervisor and director. In 2007, after the village election, it lost the power to assign directors for the committee and to interfere in its management for several months. In late 2007, the vice leader of the township government who is responsible for tourism development in this town became the director of the committee nominally, while the so-called current director is nominally the vice director although he is fully in charge of the management affairs.

4.2.2.3 Tourism bureau at county level

The tourism bureau at county level was set up and changed from the department of Construction Bureau in 1996. It is currently in charge of marketing and accomplishing tourism facilities, such as the signing system, the parking lot, toilets, the tourism route, and so on, for Tuanshan. According to the director of the tourism bureau, some villagers have been hoping and asking the bureau to manage tourism for them. However, since the bureau is not an administration department in the government system, so they can not manage tourism as a profitable industry directly. In 2003, the bureau applied some government credit loans for the project in Tuanshan, named “Tuanshan protection and tourism development project”, which was implemented by the Xizhuang township government, by the administration department. With these loans, the garden part of Zhang’s Family Garden, Zhang’s family ancestral hall and *Dacheng* Temple were repaired. However, only part of the funds has been used. The rest was taken back by the government with claims that the attributes of Tuanshan tourism were self-managed businesses that went beyond the application coverage of the government credit loan.

Since the funds and project was supervised and operated by the township government, neither villagers in Tuanshan nor the tourism management committee knew clearly about the reality of why the rest of the money disappeared. For most

villagers, they attribute the reason to government corruption.

4.2.2.4 Construction bureau at county level

According to the Chinese heritage management institution, the construction bureau is the one that is responsible for the construction and management of the historic village. In 1987, the construction bureau at the county level listed the “Zhang’s Family Garden” as a historic site when Jianshui county was assessed as a historic town at the provincial level. And in 1997, “Zhang’s Family Garden” was replaced by “Tuanshan” in the bureau’s documents. The construction bureau has played an important role in identification of the heritage value of Tuanshan and declaration as a historic village, as well as educating villagers about the value of their heritage since the earliest times. However, after 1996 when the tourism bureau was separated from the construction bureau and became an independent department, the management of Tuanshan was taken over by the tourism bureau. In early 2007, a new office called the “management office of places of interests” was established under the construction bureau and also took charge of the tourism development in Tuanshan. However, since the office is new, it has not done anything remarkable for the tourism development, but is devoted to promote Tuanshan’s image. For instance, the office sometimes invites journalists to write articles about Tuanshan in order to enhance its popularity.

4.2.2.5 Administrative village committee

As introduced in chapter two, although the administrative village committee is considered as a self-governance organization, in reality, it is more like a government department. Before 2007, it provided some support to the tourism management committee, such as organizing villagers, mediating conflicts between the committee and villagers and assisting with elections. The AVC director used to be the nominal director of the TMC, although they actually did not manage tourism directly. It might also extract some funds from the TMC for some public construction. After 2007, the relation between AVC and TMC became loose. However, in most villagers’

perception, the AVC is still the “upper leader” who can manage and initiate another election of the TMC for them.

4.2.2.6 Tourists

The tourist is an important stakeholder in tourism management since, if there are not tourists, tourism management will not exist. However, the tourist number in Tuanshan is still small. For instance, there were only 16,363 persons in 2007. Most of the tourists just follow the tour guide, walk around the village and visit these opened sites for two or three hours without having a meal or staying over night. Since usually the guide will not introduce them to the *Sima* Mansion, not many tourists go to that house. Many tourists just have a superficial impression towards Tuanshan. Some tourists, who did not follow a tour guide and tried to enter Mao’s house, may encounter someone asking for an entry fee. If they refuse and claim they have bought the ticket for all houses, they will encounter unfriendly treatment such as shouting. However, either having heard about this house or having come many times, some tourists would like to make a special trip to this house, and the owner will warmly welcome them. Only a few tourists will stay over night in the village, most of that are students who go there to draw pictures, and foreigners who have come to the village many times. According to the director of TMC, who is also the owner of Emperor Kindness House that is the main place for home stay in the village, there were nearly 200 people who stayed over night in the village in 2007, half of which were Chinese residents and the rest were foreigners. And among those foreigners, half of them were French. He said foreigners would like to experience Chinese daily life. They may cook Chinese dishes by themselves, and use chopsticks. Some of them even stayed for several days in the village.

4.2.2.7 International agent about heritage conservation

WMF is the first international agent who is concerned about heritage value and conservation in Tuanshan. In 2005, it added Tuanshan as one among 100 of the most endangered sites of the world monuments watch list of 2006. As a result, Tuanshan entered into the view of the worldwide population, which helped to draw more attention from Chinese governments from the national level to the county level.

The image of Tuanshan in tourism was promoted and it got a quite a significant opportunity to enhance tourism development.

The inner stakeholder has been discussed in previous two chapters, so I'm not going to repeat it here. However, what is worthy to briefly point out is that since tourism in Tuanshan mainly relies on the old houses, households in the old houses usually become the first receivers of financial support and benefit. It seems reasonable for such choice. However, this kind of action reinforces some villagers' perception that benefits always go to households who own old big houses, and that tourism has nothing to do with them. For instance, the government appropriated some funds for opening restaurants in 2000. However, in the eyes of some villagers, the funds were given to the households who own old big houses. The Mao family shared the same perceptions and claimed their family should have got the funds. They attributed the reason that they did not receive the fund to the prejudice of the Zhang clan, and this further contributed to the conflict.

The TMC has introduced in a separate part above.

All of those stakeholders have influenced the process of institution formation and changes due to their appearance or arguments. The most outstanding point regards the tourism management model it uses. At first, most villagers did not realize the tourism value of the resources they have, and it was that literates, the construction bureau at the county level, and the township government officers persuaded the former director who had a broad perspective towards the tourism prospects of the village and owned much cultural capital and social capital, and helped to establish the TMC which was just an attempt to develop tourism. It was a really hard time for initiating a new economy, which needed cooperation from many villagers. However, with the help of the internal social capital and external enforcement, as well as financial support from the township government, AVC and the tourism bureau at the county level, most villagers gradually accepted tourism, and the economic benefits increased fast. Incentives were also established. Later, the institution was constantly challenged

by the proactive and empowered villagers. Many other defensive and neutral villagers were also inclined to question the leadership of this institution. After the failing attempts that changed the village self-managed institution into a government-managed one, this institution encountered even severe challenges because the alliance of challenging enlarged, involving in households in three houses which are the main stops on the tourist route. Although in 2007, challenges from proactive and empowered villagers succeeded in terms of the representatives who gained power in the TMC, some villagers, such as Mao's family, the proactive but powerless villagers, used the alliance during the "ticket in ticket" events split due to the reforms of the current director that were seen as "no different from the former one" and "even more selfish". Soon after their accession, they put forwards a proposal that was to change the TMC committee into a joint corporation with arguments that with the name of the company, incentives are easily established and loans can be obtained from the bank. But it was rejected both by other villagers and government departments from the township level to the county level. Villagers were widely afraid that they would not get much benefit from the company, while the government departments would like to absorb some of the big company's investments to develop Tuanshan. However, although the fame of Tuanshan was accelerated by WMF, due to the small number of tourists and seriously negative tourism environment, no big company dares to invest in it now. Negative attitudes of the current TMC that is just waiting for the government's projects and internal conflicts make it impossible for them to be thinking about reforms or completing their management institution.

In a short summary, I discussed the changing process of internal management institutions and stakeholders influencing the formation and changes of the institution in this part. Since the focus in this thesis is to discuss the conflicts and questions emerging in this process, in the following sections of this chapter, I will discuss some factors, i.e. political setting and social networks, playing a role on them in detail and finally analyzing the core points—questions about cooperation (or noncooperation) in

the process with the theory of collective actions and further from the perspective of social transformation in order to reveal the relations between the formation of tourism management institutions and social institutions in destination areas.

4.3 Democratic Construction

Any discussion of institution formation should be put in the broad social politic setting. Just like Zhang argued in her doctoral thesis, “the development problems of peasants economic cooperation organization is not simply the issue of cooperation among peasants, but the issues of reconstruction of social economic relations, which include property relations, rights-and-duties and profit-sharing. The formations of the peasants’ economic cooperation organization is the process of reconstructing relations among various actors, including state, local government and peasants; the development of peasants economic cooperation organization is influenced by various factors, such as the bias of the government, agricultural development, rural institutional arrangement, social cultural conditions, etc. It is actually a problem of the political economy” (Zhang, Yongli 2005:162). So, in this section, I will introduce the democratic construction process in China, and try to show the broad political setting for discussing the tourism management institution in Tuanshan.

4.3.1 Reform of Government Function in China

With the establishment of a socialist market economic, the social reform in China goes further gradually. So does the reform of government function. Generally speaking, the reform of government function has passed three phrases (Chi 2008; Fang 2000). After the 1980s, or the reform and opening policy, the government function changed from managing the social economy directly, to indirectly regulating the social economy. Villager self-governance policy was gradually promoted. In 1982, the principle of villager self-governance was written into the national constitution, and

in 1990s, villager self-elected village committee was carried out all over the country. As a result, rural communities progressively gained some self-governance rights decentralized by countryside administration. The relationship between the township government and the administrative village committee changed from “govern-and-being-governed” to “supervise-and-being-supervised”. Township government lost the rights to appoint the administrative village leaders. The village committee members have got the right to say “no” to the township government. In Jiashui County, the policy of village self-governance was formally implemented in 2001. However, according to the Tuanshan administrative village leader, in practice, the committee is more like a government department and all funds for this committee are from government finance. He complained that the township government officers carried out works very easily since they just asked administrative village committee members to do for them while their own work was always very hard since they have had to deal with villagers directly. He said he would not transmit villagers’ opinions to the township government officers unless they would like to listen. Usually he just says good words. Furthermore, although rural communities gained some self-governance rights theoretically, it “lacks a clear definition of governments’ respective purviews and commitments in administration”, which enabled the governments to intervene into the rural cultural tourism development to an optional extent, according to their practical interests and needs” (Ying and Zhou 2007: p104). This flexible boundary of commitments in administration also makes it possible for villagers negotiating their rights of tourism resource development and operation with local governments. And Ying showed that the ambiguous description of rights of tourism development and management in historic village in China may result in contests among tourism stakeholders, in terms of government, external capital, and the community (Ying and Zhou 2007).

After 1992, or the 14th congress of the CPC (Communist Party of China) Central Committee, the reform of the government’s function went further to

constructing the socialist market economy system. Division of government and corporations were further promoted. Government departments were prohibited to manage profitable corporations directly. In 2002 or the 16th congress of the CPC Central Committee in Oct, 2005, the third reform of government function was proposed to construct “service government” which means the functions of government should be in social economy regulation, market supervision, society management, and public service. The government further retreated from micro management of the social economy. It was argued that the government should focus on promoting public services and commonwealth.

In the new socialist countryside construction, villagers were seen as the subject to carry out this project (Liu and Zhang 2007; Zhu and Fan 2006). Governments should just promote this project and provide public goods for realizing it. It emphasizes that government should not be offside to replace of the role of the villagers. Villagers’ citizen consciousness and civil organizations are widely considered as cores of the successes of this project (Yu 2006).

As a result, the role of government is considered to be one that should gradually decrease in the management of the village’s profitable economic affairs within the process of government reform. And villagers are increasingly promoted as the main actors in community development. Theoretically speaking, these are requirements in the development of the market economy in China. However, as we will see in the following sections, the realistic situations are lagging behind the consideration of these policies in Tuanshan village. The existing social institutions, such as democratic elections and the constitution of social capital, do not prepare villagers well enough to be the main actors in the movement.

4.3.2 Village Election for the Committee

Although village election regulations have been implemented since 2001 in Jianshui County, it seems villagers have not understood this self-governance

regulation clearly. It is still considered as a government behavior in villagers' minds. The election for the committee members at the end of 2006 was a good example for this situation.

The administrative village committee supervised the election. As I described earlier the current director, a retired teacher, belongs to the second oldest generation still alive in the village, so he had been honored by villagers. He also made some promises when he canvassed for votes during the election and gained a lot of votes. Furthermore, some villagers claimed that approximately 30 Yuan for one vote was the price occurring during the election. Finally, the current director got the second highest votes or supports, and another Zhang descendants living in Zhang's Family Garden got the highest votes. However, due to the flaw of the election method²⁶, the one getting highest support was not in the committee but the second highest—the current director—became the director. Some people felt they are cheated and denied the justification of this committee. This election became a gossip topic among villagers. But, although there is great dissatisfaction towards this committee, no one thinks about claiming another election. According to the village election regulations, the government does not have the right to dismiss the candidate that the villagers elected. If the villagers are not satisfied with their leader and over two thirds of the villagers apply, they have the right to dismiss the leader and organize another election. However, in the villagers' minds, this committee can last for three years until next election, unless the government officers come to organize a new election for them.

In short summary, a self-governance organization has not developed well in Tuanshan. Villagers still lack a democratic consciousness and citizen consciousness, and still rely on the government to organize most village affairs for them. It can be seen as a “path dependence” of rural institutional change that the old rural organizational system and the framework of government organization still impacts enormously on the current rural organization construction (Zhang, Yongli 2005).

²⁶ According to some villagers, during the election, they supposed that the one getting the highest supports (over 360 supporters) would be the director and the other in turn. However, after the election, they found out that this is not the case. Villagers elected five people as committee members at first, but later the five members elected the director. Since the current director (less than 300 supporters) has the other two intimate relatives and friends in the committee, he was elected as the director. And the one getting the highest support gave up the position they assigned to him and left the committee.

4.4 Social Network and Social Capital in Tuanshan

Social capital is an important factor for collective action as introduced in chapter one. With high social capital, people have the confidence to invest in collective activities, knowing that others will do so too (Pretty 2003). Zhou discussed the relation between social capital and rural governance in China, and also found that with higher social capital, village leaders are more likely to motivate villagers to do something, and villagers tend to cooperate and take collective action (Zhou 2007). For instance, village leaders may appeal for some authorities, such as the clan authority, to help collect tax, or to persuade villagers to agree to something. So in this part, I will briefly discuss the social capital in Tuanshan and its function on the collective action.

The expressions of social capital are intimately related to the characteristics of Chinese rural society. Talking about this issue, the famous concept “differential mode of association” or “pattern of water waves”²⁷ (*cha xu ge ju*) (Fei 1985), proposed by Fei Xiaotong, a famous anthropologist in China to study rural society, should be mentioned. This concept exactly describes the mode of relations between “self” and “others” in rural China: “self” is the centre of different relations of circles and others scatter around this centre, and the farther from the centre, the weaker the relation will be, which is like the extension of water waves. There is no definite boundary of between “ours” and “others”. The boundary is flexible depending on the different context. Kinship and location are the most important factors influencing the relations. However, with the development of a social economy, according to Zhou, although the relationship structure still follows the “pattern of water waves”, rationality has been involved as another important factor. Kinship still functions significantly, but some other functional relations become more important in various cooperation. So, Zhou classified social capitals in rural China into four categories: family and clan network, functional networks (for some specific interests), symbolic

²⁷ It is very difficult to translate this term used by Fei Xiaotong into English. There are some versions of translation: “differential mode of association”, “diversity-orderly structure”, “the pattern of difference sequence” and “the pattern of water waves”.

networks (religions), and personal networks (school mates, colleagues, persons having similar experiences).

In the case of Tuanshan, since it is a village based on an outstanding clan, family and clan network should be discussed first. There is a Buddhist association but it is restricted to a group of old women (a little over 30 women). Generally speaking, religion is not so significant in people's daily life and does not play a role in village management affairs. So I'm not going to discuss this factor. Other functional networks and personal networks will be discussed together as part of other relations in villagers' everyday life.

4.4.1 People's Perception of Zhang Clan Tie

As we know, 80% of villagers are the offspring of the same Zhang ancestor. The latest generation in the village is the 22nd. The first generation of Zhang ancestors in Tuanshan had four sons, which means four branches. One branch is located in a certain direction: the first branch is in the east; the second is in the north; the third is in the south; and the fourth is in the west. Although many descendants' families have intersected in the middle of the village, the basic structure in the four directions is still identifiable, especially in case of the old big valuable houses.

Since the Zhang family has grown very big and there have been so many generations, as well as due to political movements and the abolishment of clan governance, the general clan tie becomes weak. Some families even cannot tell which branch they belong to. In the past, when there was a wedding or funeral ceremony, one half of the villagers would be invited. However, at present, the number of guests is reduced greatly. Many families choose to employ people who are specifically responsible for such affairs to organize such ceremonies and they only need to invite fewer people who are close relatives or friends. The wedding and funeral ceremonies become much simpler than that in the past.

Before I start my investigation, I presumed that there should be high social

capital or social bond in the village since most villagers may be relatives with each other. However, when I discussed this question with the villagers, they gave an opposite interpretation. They argued that the Zhang clan tie did not make them united and promoted collective action among them, but villagers were more likely to compete with each other, calling it “rival factions within the clan” (*wo li dou*). Some villagers said that the government cadres were afraid to carry out work in Tuanshan because it was disorderly in the village. According to some villagers, it was hard to collect money from villagers also. There are always some families refusing to pay some kind of fee. For instance, in order to develop tourism, the primary school was moved from the *Shangmiao* Temple to the new location near the road in 2003. The government appropriated some funds but it was not enough. The rest was collected from villagers, 75 Yuan for each. However, many villagers refused to pay the bill and argued that the previous school was good enough, and they did not need the new school. Later, the third productive team leader rented out the *Xiamiao* Temple for raising chickens and used the money to pay the bill. However, this action provoked dissatisfaction from villagers who handed in the money.

4.4.2 Other Social Capitals in Villagers' Everyday Life

Although many villagers go out to work for a short period or daily, I did not find an outstanding functional network for organizing such labors. One reason may be given: villagers just work nearby and for short time. Their work varies greatly. Usually several villagers work as carpenters, several villagers as plasterers, several villagers as horse wheelers, and so on. The networks are usually very small and restricted in several households. So it does not function on the decision-making towards village affairs.

The neighborhood is considered an important social capital in rural China (Zhou 2007). However, in case of Tuanshan, as discussed in chapter four, due to the small living space, it is more likely to cause frictions among households living in the

same yard. Although there are also some reciprocal behaviors among neighbors, for instance taking care of children, most often I heard complains. Villagers living in old houses on the tourist route are also potential rivals for selling tourist products since the products are similar.

As a result, generally speaking, social networks and social capital function little in village affairs. Although it is a village based on one outstanding family, the clan tie does not help villagers to take collective action or resolve problems. On the contrary, it is more likely to cause competitions, conflicts, and factions.

4.5 Noncooperation among Villagers

After discussing the broad heritage management institution, political settings, and the specific tourism management institution and social capital in Tuanshan, I'm going to link them together to analyze the issue of cooperation (or noncooperation) among villagers.

As discussed above, the TMC institution failed to manage tourism successfully, but resulted in conflicts among villagers, as well as disinterested some villagers to involve themselves in tourism. It failed to motivate collective support, as well as other collective actions to reconstruct the institutions. Villagers are reluctant to initiate reform or changes for the existing TMC institution but would like to rely on the government to do it for them.

When I did investigation in the village, a question always lingered in my mind as to why villagers did not cooperate, since they all understand that if tourism is developed well, it will benefit everyone. If they cooperate in tourism management, they can reconstruct the tourism management institution benefiting them, like the case of Xidi village introduced by Ying (2006), where villagers collectively develop village tourism. With the leader of village, Xidi established a tourism management committee in 1987, and later changed into the village corporation. It has kept the rights to development of tourism itself and refused to transfer it to the government. At

the initial stage, the committee successfully motivated villagers to clean the environment, maintain a good appearance for the village, and invested in repairing some cultural relics. Tourism was developed in an endogenous way in which capital was self-accumulated and tourism income was kept within the community (ibid:39). Villagers cooperated and took collective action in this process, and tourism developed successfully (Ying 2006; Ying and Zhou 2007). We may argue that without cooperation among villagers, Xidi village could not successfully pass the initial stages, preparing tourist environments, accumulating capital and maintaining their rights to develop tourism. So, the question again becomes obvious: why did Tuanshan villagers not cooperate to develop tourism but contested a lot?

To address this question, I will draw out villagers' own perspective, as well as the government's perspectives, and then to analyze with the theory of collective action and the perspective of China's social transformation in this section.

4.5.1 Attributes of Noncooperation in the Villager's Perspective

Villagers usually share the same opinion that it is impossible for them to cooperate in tourism development by themselves. They attribute it to some reasons: first, the leader of the tourism management committee is selfish and greedy. With such a leader, tourism development will not benefit the village much; second, at present, each family just concerns themselves with their own livelihood, and they lack the consciousness of being united towards tourism development; third, Tuanshan villagers are by nature not united, and always split themselves into two groups towards any issue. Some villagers even attribute such nature to the *Fengshui* of Tuanshan village. As a result, they consider it impossible to develop tourism only by Tuanshan villagers. They expect the government will develop it for them.

4.5.2 Attributes of Noncooperation in the Government Officers' Perspective

For the government officers, they ascribe the situation of conflicts or factions

to villagers' short-term vision. They argue that Tuanshan villagers are just concerned about and fighting for the current benefits without long term consideration and a consciousness of social responsibility. Since they cannot resolve the issues, they retreat and leave villagers to deal with these conflicts by themselves. They would not like to be involved in tourism management except doing some promotion work for Tuanshan.

4.5.3 Noncooperation from the Perspective of Collective Action Theory and China's Transformation

As discussed above, the TMC institution failed to manage tourism successfully, but resulted in conflicts among villagers, as well as disinterested some villagers to involve themselves in tourism. It failed to motivate collective support, as well as other collective actions to reconstruct the institution. Villagers are reluctant to initiate reforms or changes for the existing TMC institution but would like to rely on the government to do it for them.

There are many factors influencing collective action as shown in Chapter one, and a social constructivist approach is taken here to see the process of institution formation through which decisions about collective action are constructed by actors.

The TMC institution was firstly established with the help of the government and with the enforcement of the government, it had relatively smoothly functioning for nearly four years and achieved some success in terms of fast growth of ticket income, making villagers accept tourism, building a road and repairing five heritage sites until it was challenged by some proactive villagers and taken over by the township government.

However, the TMC institution did not come from or was not based on collective action. Villagers did not have time to calculate their benefit and cost, and make choices as to whether or not they would develop tourism. Actually, they did not really understand what tourism means for them. Enthusiastic government officers and

literate told them about the value of their houses, the benefit of developing tourism just shortly educated them then and the TMC institution came into their life.

Since the TMC institution was not collectively and endogenously chosen, it had to be enforced by the external forces, which initiated its birth. With such help, although facing many difficulties, it gradually overcame them and persuaded villagers to accept tourism both by external forces and by establishing incentives. During this time, violations of rules, such as building new concrete houses, were successfully halted.

However, this relatively peaceful situation did not last long. Potential conflicts were hidden behind the incomplete institution. First, the outsiders in the TMC was chased out, and then troubles were made in order to argue more individual benefits and attempt the position of TMC director by some proactive villagers with great cultural and social power. They gossiped about some behaviors of the former TMC. Due to its own flaws and lack of transparency in management, the former TMC was gradually suspected by many villagers, especially those living in big old houses opening for tourists but getting little benefits. At that time, tourist income had increased from 2,722 Yuan in 2000 to 75,979 Yuan in 2004. Villagers perceived the fast increasing number of tourists and income, but did not get much benefit directly. So, they were easily inclined to believe that the former director had sneaked in some money that may have belonged to them. At this time, several factors can be identified that were conducive to this crisis of collective action. First, this challenge was from villagers who belong to the oldest generations alive and are respected by most villagers. Second, there were indeed some flaws in tourism management, such as a lack of clarity of the account, some expense in building relations with outside organization, which cannot tell publicly, and a lack of transparency in management for villagers. Third, villagers lacked knowledge and information about tourism management and they did not have correct cognition about all the things going on. Fourth, since there was no collectively chosen regulation about the property rights,

responsibilities between the TMC and the villagers, the villagers have no base to satisfy their expectations in rationalized way. This crisis actually alerted the incompleteness and the flaws of existing TMC institution.

However, faced with the problem, the former director appealed to the township government and the resolution it took was to take over the management rights completely, and all incomes were taken over by the government. Soon, this form of management encountered fiercer challenges in which the proactive villagers refused to cooperate with the government and utilized their power to lock some important attractions with the claim that they were collective property of Tuanshan villagers, and they should benefit Tuanshan villagers, but not the government. Consequently, the government had to transfer the rights to the TMC again. And the former management institution was going on.

Since conflicts had already emerged but did not meet efficient resolution or changes of the existing TMC institution, the subsequent management faced more difficulties, i.e. challenges from those proactive villagers and suspicions from other villagers. These difficulties culminated in 2006 when the “ticket in ticket event” appeared. Furthermore, this event was not settled by internal negotiation among TMC members and these villagers but by external force, i.e. media and government. So it also did not facilitate the completion or changes of the TMC institution. This situation lasted until the end of 2006 when the former director died of disease and villagers claimed the self-elected TMC.

Most villagers took this election seriously and wished to elect a good leader. However, there were flaws in the election method, and the one who got the highest vote did not become the director but the second highest got the position. It resulted in complaints from many villagers, and this was attributed to the false tactics of government. So the new elected TMC did not get the support as supposed from villagers. The reforms it carried out were also accused as fulfilling the selfish interests of the new director. Under this situation, unsatisfied villagers and all villagers except

the alliance of the director still did not seek to cooperate in conducting another election. Firstly, it is directly due to their false perception of the village election as I have shown in 4.3.2. Secondly, tourism development has been somewhat stagnated and the income has not grown since 2006. After subtracting the expense for TMC operation, there is little left for redistribution to the villagers. Consequently, the expected tourism benefit is too small for most villagers. They are reluctant to fight against it for such a limited benefit. Thirdly, the proactive and powerful villagers initiated challenges in the past. And now they have already got the position and benefits that they want. Other villagers with little power could not take the same strategies but some negative behaviors, such as gossip, violation of some rules (i.e. building new concrete houses as they want). During the whole process, the social capital did not function to facilitate collective action.

In addition to understanding the lack of cooperation among villagers from the perspective of collective action theory, some points exposed in the analysis, in terms of the roles of social capital, government and the tourist market, help to link the problem to China's broader social transformation process. To discuss this perspective I will contribute to a better understanding of the processes that tourism management institutions develop in rural China.

As we may find in Tuanshan village's history, in some periods, villagers were quite united and tend to cooperate towards village affairs. Two examples can be given to show that they were united and in cooperation. The first example is when their ancestors explored tin mines in Gejiu and were prosperous. At that time, the clan authorities functioned significantly. They had the right to punish villagers whoever did something not complying with their culture, customs or regulations. There were also collective properties and economic incomes, which were used for some public activities, such as ancestor worship ceremonies. Some old villagers argued that once the clan authorities required villagers to do something, everyone was willing to do so. Villagers would like to do some public good for the village too. For instance, Zhang

clan members donated to build temples, open a school, construct village gates, repair the road and set up a bridge over the *Lu Jiang* river in front of the village.

The second example was during the commune construction periods. Tuanshan village lacked water and there was no irrigation system before the 1960s. Agriculture relied a lot on the rain. In 1958, one reservoir not so far from Tuanshan was built up and with the support of the government at county and township levels, Tuanshan villagers managed to get pipes and transfer water into Tuanshan for irrigation. The first irrigation system was finished collectively by villagers in 1962. It is said, at that time, villagers were united and had a strong sense of collectivity. With the collective effort, Tuanshan was also the first village in the vicinity that had running water at that time.

So, the argument that villagers are not united by nature is not reliable. We should look for the reasons why villagers tend to cooperate before, but do not cooperate now to develop village tourism and conflicts emerge easily. During the clan authority period, clan authorities had great power to manage public affairs and sanction the one who violated the rules in the village. Most villagers worked in tin mining factories which were owned by several big families in Tuanshan. They relied a lot on family ties and maintained their strong identity as Zhang family members. So they generally shared a sense of being a collectivity and it was easy for them to cooperate. In the commune construction period, villagers were involved in one single commune. They produced and consumed together. Although clan authorities no longer functioned, with the help of government, it was also easy for them to cooperate in public affairs.

However, after conducting the household responsibility system, villagers began to concentrate on their own family. Public life and communications among villagers were weakened. It leads to the lack of collective action and public social life (Shen 2006; 2007; Xiao 2003). In some developed areas, with the development of the market economy and involvement of peasants in markets, peasants tend to seek for the

economic cooperation in order to reduce the risk of the market (Zhang, Yongli 2005). This kind of economic cooperation is based on rational calculation and accords with the reform of the government. However, in case of Tuanshan, agriculture is mostly for self-consumption, money income is mainly from migrant labors or workers in Gejiu. Migrant laborers work nearby and will stay at home whenever they are going to be busy with agriculture production. There is heterogeneity among villagers, but it stays in a low level. This structure actually maintains and stabilizes the peasant economy, and is a self-reliance economy (Zhang, Yongli 2005:139-140). Movement of labor does not create a functional social network or social capital, and it does not help villagers to form cooperation and organization within the village. The tourist market is still small and villagers know the “tourist”, but actually have not understood this market clearly since most villagers have not directly interacted with tourists, and they just concentrate on their claiming of benefits. Furthermore, while markets cannot be the motivator for them to cooperate, clan authorities and governments also fail to promote it. Clan authorities have little influence on organizing village affairs, while the government has been retreating from the micro-economy management through several reforms. There are also no outstanding capable villagers who may stand out and promote institutional formation or change for villagers. In the end, cooperation of tourism management in Tuanshan lacks a base of social institution.

4.6 Conclusion: Social and Political Institution Impacts on Tourism Management Institution Formation

The broader social and political institution in society influences the formation of the tourism management institution. Firstly, it should follow the regulation of national heritage management institution. However, the regulation in China is under hot debate and contested now. There is no agreed successful management model for such historic-village tourism. Neither are the rights to develop historic village tourism clear. This leaves a possible space for different stakeholders to negotiate. Second,

through social reform, modern laws promoted people's consciousness of rights but also destroy the traditional moral restrictions. However, people have not realized rights and duties at the same time. Some extreme interest-directed and self-centered consciousnesses emerged (Shen 2006). Consequently, with the space to negotiate and consciousnesses of rights, villagers, especially proactive villagers, tended to compete for their interests. Third, since historic-village tourism resources should be considered as a common pool resource, development needs cooperation among villagers. However, villagers still lack democratic consciousness and citizen consciousness. And the factors or social institutions that may enable cooperation among villagers, such as market, clan authority, government and community elite, are also absent in Tuanshan. As a result, pursuits of self-interest can not be organized together, and lead to chaos in the process of institution formation.

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