#### **CHAPTER VI**

### CONCLUSION

In this chapter, first, I will give a summary of the institutional formation process in Tuanshan tourism development. Later, I will draw out the major findings of the research for understanding the intra-community conflict and the process of tourism management in institution formation in historic-village tourism. Then, theoretical discussion of these findings will be elaborated, and implications of the study as well as policy suggestions will be shown. The last part will present the limitations of the study and suggestions for further research on a similar topic.

### 6.1 Summary of Institution Formation Process in Tuanshan

The strategy for successfully managing the commons is to develop institutions that are legitimate in the eyes of resource users and encourages collective action in the way of using resource sustainably. However, for Tuanshan, the tourism management institution is contested now, and conflicts within the community have emerged. Villagers know that if tourism is developed well in the village that it will benefit everyone, yet they have not taken collective action to pursue this common interest. And actually the tourism management institution construction in Tuanshan has not been finished or complete. It is still seeking a suitable management institution. The way the leader is chosen has changed many times and is still negotiable. The attributes of the tourism management committee are vague, management rules are not clear and are incomplete and benefit-sharing schemes for villagers are also under discussion. So contestations have emerged in the processes of institutional formation of Tuanshan tourism management. Tracing back to the overall institutional formation history, several points along the process may stand out as useful for summary.

First, Tuanshan management institution is made by outsiders/government

initially, not by collective the action of villagers. The institution is created exogenously without collective action underpinning. It is exogenously enforced. Before the establishment of the management institution, villagers could not take collective action towards it and invent institutions to manage tourism because they did not realize the value of the heritage, not to mention the calculation of cost and benefit.

Second, after the institution's establishment, villagers started to consider whether or not to take collective action in management. At first, they did not see benefits but just the costs or damages for them, so they refused tourism. However, with exogenous/government enforcement and some incentives, they turned to accept and even support tourism.

Third, since villagers did not know the operation of the TMC, they did not have a clear idea about the tourism management. Due to the slow development and small growth of benefits, some gossip about the TMC emerged and the trust of villagers to TMC was reduced. The conflict between villagers and the committee started. This was true especially for the one whose own great cultural and social capital began to challenge the management of the institution, and made the government afraid of managing tourism for them. During the period of the "ticket within ticket" event, competition amongst villagers and between villagers and the committee came to the peak. The mutual trust among villagers further deteriorated. Since property relations in tourism management are illegible, villagers do not have an idea of their position in this competition for benefits. Villagers who have more capital get more benefit. Villagers who have little capital and power further perceived that they would not be likely to get benefit from such development with such a management institution. Villagers felt that everyone just pursued their self-interest, and some not living in historic houses further considered that they are not included in this tourism development. So they are reluctant to follow the management rules, not to mention collective action.

Fourth, after the election of a new committee, some villagers thought they

were cheated and the behavior of the current director further disappointed them. This confirmed their thinking that everyone getting into power is self-interested and will not pursue the common interest for all villagers. They considered that villagers will always compete with each other and just pursue their own self-interests. As a result, many villagers hoped that the government would take over the tourism management, and expected benefit to come to them. However, with several rounds of interacting with the villagers and the current committee, the government is afraid of interfering with village affairs, and with the argument of government reform in which government can not interfere in micro-profitable affairs and village elections, the government just keeps a certain distance with Tuanshan village.

### 6.2 Major Findings of the Research

### 6.2.1 Vague Property Relations towards Historic-Village Tourism is One Factor Conducive to the Conflicts in Tuanshan

The issue of property relations has been the focus of reform in China since the 1980s when it brought in market institutions and later claimed to construct a socialist market economy. "Clarifying property relations" and "separating government from corporation" have been mentioned and emphasized in government policies and are also the rhythm of the reform. However, since property is an important social institution for organizing social relations, it is not easy to find the right method for reform. In the field of heritage tourism management or, more specifically, the historic village tourism management sphere, the management institution at national level in China is also under reform for exploring suitable property relations. Several explorations have been proposed, such as the "property transfer school", the "national park school", and the "non-profit organization notion". As a result, it leaves negotiation space for different stakeholders to construct specific management institutions in different local contexts. However, since it lacks definite policy support, it faces challenges and threats if there is someone to argue against it, and sometimes, it easily breaks down. In the early years of tourism development in Tuanshan, the management institution is exogenously introduced and enforced. Although there were flaws, i.e. low level of community participation, conflict between Mao and Zhang, this institution contributed a lot to the early development of tourism, in terms of preparing the tourism environment, encouraging villagers to accept and welcome tourism, and promoting the image of Tuanshan to a certain extent. However, since it held back some influential stakeholders' interests, it was objected and forced to change several times.

In addition to unclear property relations at the meso-level, those at the micro-level are also illegible in Tuanshan, which means that within certain specific management institutions at a certain period, the responsibilities and duties for each stakeholder are blurred. There are no agreed property relations at present. Relations among each stakeholder towards this resource are not legitimated, whether formally or informally. Historically, village tourism is still a new and young industry for villagers and the developers. And appropriate property relations models in this cultural resource management are still on the way to be explored. As Vandergeest (1997) argued, communication, convincing, remembering and enforcement are four important practices for property. To certain extent, this case reflects the contested communication process among stakeholders. During this process, some stakeholders may actively struggle and claim the rights that they think they deserve. However, due to lack of efficient participation and conflict resolution mechanisms, they can not argue and deal with it in a regular and suitable way, and that leads to the contestations and conflicts.

### 6.2.2 Low Level of Community Participation Led to Suspicions among Villagers and that Deteriorated Mutual Trust or Social Capital which is Important for Collective Action

Community participation in Tuanshan tourism development has been rather low. From the beginning, villagers were educated and manipulated to realize the value of their houses in order to conserve their heritage. This strategy is necessary and important for motivating villagers and improving their knowledge about their heritage. However, after the establishment of the management committee, the notion of community participation did not get the attention it deserved and the principle of participation was not followed. Villagers were not even informed explicitly about the regulations of tourism management and the operations of the committee. Since they did not know, once rumors or gossip towards the committee emerged and spread, they are likely to trust or at least start to become suspect. Mutual trust between committee and villagers was destroyed. So was that among some villagers.

During the village election for the new committee, villagers also did not participate fully and some gossips toward the election were prevalent. It also contributed to the reduction of mutual trust among villagers.

Social capital has been considered as an important factor for collective action, since with it, people have the confidence to invest in collective action. However, mutual trust among villagers that the one who becomes the leader of the committee will work and pursue the common benefit for the whole village was reduced and then destroyed by suspicions and gossip. Without mutual trust and high social capital, it was hard for them to take collective actions. 6.2.3 Villagers Had a Relatively High Expectation towards Tourism Derived Benefit which Exceeded the Returning Capacity in this Stage of Tourism Development and It Caused Much Tension Between Tourism Management and Villagers.

Historic-village tourism combines villagers living tightly in environments and villagers consider tourism development quite closely linked to community development. Villagers expect tourism, the only industry in village, will help boost their life condition. This should have been one of the aims of tourism development also. That tourism should benefit destination communities and promote community development is also an important argument by many scholars proposing the concept of "community-based tourism". However, since the early stages of tourism development, there has been little profit and in reverse it needs lots of investment, community benefit-sharing should not have been the major concern. Furthermore, tourism in Tuanshan did not absorb much external capital and mainly relied on government funds and the limited ticket income. Internal unity and dedication are the most needed for such a way of development. However, as I argued above, the illegible property relations and low levels of community participation prevent villagers from knowing their position in tourism and understanding the overall picture of tourism development. Without cognition of such information and situations, villagers cannot rationally and reasonably calculate or formulate their expectations towards tourism benefits as returns to their community. In this case, they had relatively high expectations, which currently exceeded the capability of tourism returns. And the tension between limits of tourism development and villagers' relatively high expectations was stressed. The failure of fulfilling villagers' expectations further deteriorated their confidence of developing tourism, restricted their possible dedication to it, and intensified the competition towards limited tourism-derived benefits.

# 6.2.4 The Image Constructions had a Significant Influence on People's Perception of the Tourism, and Partial Influence on Power Legitimating.

Heritage is contested and political. In this case, these notions of heritage are exactly represented in this intra-community conflict issue. Representations of heritage partially legitimated villagers' power, and become an important factor to differentiate villagers. They construct their identities related to different representations of this culture resource, which facilitate their accesses to the resource or strengthen their arguments of the rights towards the resources. Since different cognitions, arguments and powers were not integrated by proper institutions in this case, they are conducive to the contestations.

# 6.2.5 The Intra-Community Contestation is Related to the Broader Social and Political Institution in Society.

Property is a social institution. As I argue above, the illegible property relations and contesting regulation of national heritage management institutions leave space for different stakeholders to negotiate their rights and positions. The general trend of social reform in China is to promote people's citizen consciousness, their participation in public affairs and the self-governance of village affairs. However, in reality, these aims are far from realized. A low level of participation prevents these stakeholders to correctly understand the tourism development. Thus, they did not have a rational and reasonable cognition of tourism, their positions, and problems emerged. In a household responsibility system, villagers have become used to concentrating on their single household life and pursuing their self-interest. When the industry appears in the village, everyone wants to get benefit from it. However, since the factors or social institutions that enable cooperation among villagers, such as market, community elites, clan authority, and government, have been either underdeveloped or destroyed or withdrawn, pursuits of self-interest can not be integrated together, and

lead to the chaos in the process of tourism management institution formation.

### **6.3 Theoretical Discussion**

First, this research brings the concept of common pool resource in discussing historic-village tourism, and argues that the resource of tourism development in historic village should be considered as common pool resource to construct property relations and think about the relation between tourism development and community development within this notion.

National management institutions of heritage tourism are contested now and are to be reformed. Some reform explorations, such as "property transfer school", "national park school", and "non-profit organization notion", have been made. These considerations mainly start from the external management of heritage and heritage tourism, and try to clarify the relationship between heritage and market. For instance, "property transfer school" argues that, since heritage enters into tourism markets now, it should follow the regulation of typical market operation. So the way to efficiently manage heritage tourism is to clarify property relations between government and companies towards heritage, which means that the tourism operational rights should be transferred to a company while the government still keeps ownership rights and management rights. "National park school" is conservative and emphasizes the non-economic value of heritage and argues against the idea to transfer rights to a company. "Non-profit organization notion" settles on the new management body of "non-profit organization" and takes an attitude in the middle of the two, which is to compromise the economic value and cultural-directed value of heritage. These new ideas contributed greatly to reform the heritage tourism management in China and to explore the way for heritage to enter in tourism market.

However, since they concentrate on the discussion of relationships among external stakeholders of heritage, i.e. government, companies, and the populace, they take the community for granted as an integrate entity. Xu, in his discussion of "nonprofit organization notion", argues to differentiate the rights of the destination community from other populace members. He said heritage should be commonweal directed, however, the extent of enjoying this commonweal should be different between the destination community and outsiders. Destination communities should enjoy more in this public welfare in terms of ticket discount, tourism derived profit sharing and so on (Xu 2003b:36). However, since he focused on the general management institution of all kinds of heritage, he did not go further to discuss the relationship between heritage and destination communities which has been discussed by many other scholars (Long 2000:317; Smith, et al. 2003). For these scholars, starting from the knowledge, value, access and power towards heritage, discussed the relation between heritage management and the community, and tried to argue the destination community's position in heritage management.

In the regime of historic-village tourism, the situation is somewhat different and unique since the tourism attraction here includes private housing, collective resources, public resources, intangible culture, and so on. Ying (2006) made a great contribution on discussion of this kind of tourism by concluding its development in China with the notion of a "communal approach". However, since he also focuses on the power relations among government, external capital and community, community for him is also considered an integrate entity. As we are cautioned, communities are complex entities containing individuals differentiated by status, political belief and economic power,; and heritage management is political within destination communities (Agrawal and Gibson 1999; 2001; Ashworth 2003; Hall 2003). So it is necessary to discuss differentiations, politics and tourism management processes happening within the community. And those have been given great space for discussion in this research.

By seeing the historic-village tourism institution formation process within the community, I found that property relations among villagers in tourism development could not be neglected in order to avoid conflicts and promote tourism development.

These conflicts clearly present the tragedy of the commons. No one in the village can be excluded from getting and enjoying benefits from tourism development. This tourism resource has to be maintained by all villagers and lack of incentives to maintain it will destroy this resource. Vicious competition among villagers may also destroy the resource. Although some villagers do not dedicate to maintenance of this resource, it is also possible for them to get benefit, which means they may free ride over the resource. This expresses the need to consider this tourism resource as a common pool resource for the whole village and this resource has to benefit all villagers. So tourism development has to be discussed within a community development regime.

Historic-village tourism management is always based on the destination community, and it is very important to get along well with the community to ensure smooth management and steady development. Seen from the perspective of a common pool resource, historic-village tourism management should put more attention on the management process within community, and discover the problems appearing within this process. Appropriate property relations come from practices of stakeholders' communication, convincing, remembering and enforcement. So to promote villagers communication and expressions of their interests may be a better way to find out the way to reform the property relations and management institution. And the concept of common pool resource may provide a new thinking on constructing property relations in this regime.

Second, in order to manage common pool resources efficiently, legitimate institutions have to be established and within it collective action has to be taken. Institutions in this case have been discussed as rule-in-use and the discussion has been situated in the formation process. Although outsiders can introduce certain institutions, it has to be modified and evolves according to local people's responses. Influential stakeholders may play a great role in the modification of the institution, and have to be identified carefully. In case of such historic-village tourism, cultural resource is the key tourism attraction, and it endows considerable cultural capital and power to the stakeholders who are the gatekeepers to these resources. Collective action is also considered from the perspective of practice of villagers considering tourism and their actions. This case also verified various factors that were identified by scholars in theories of collective action, as well as considerations within calculations of cost. However, since tourism is usually something new for villagers, and not something like water or forest resources that have been familiar for generations, it is impossible for them to have a clear and correct consideration at the beginning. So help from outsiders is necessary, and later community participation is very important in completing the management institution and evoking collective action since it will enable stakeholders to understand the resources and the dynamic flows, to get mutual trust among themselves, and finally to make their rational considerations about the calculation of cost-benefits, which is the base for collective action.

Community participation has been discussed a lot in tourism development; however, the discussion has mainly started from outside the community, and means to see how external stakeholders (government or company) will involve the community in tourism management. Timothy (1999) found local socio-cultural and economic conditions are constraints in implementing participatory principles in Indonesia.

In this research, by considering participation in the process of management institution formation, and from the perspective of collective action in such a common pool resource, I find villagers' cognition and perception of their position in this resource pool influencing whether they will participate actively or not. That is to say, to discuss community participation, in addition to thinking about the broader constraints as Timothy proposed, we have to pay more attention to villagers' activity and go-aheadism. Various factors will influence their go-aheadism, such as the property rights they perceive, the knowledge of the resource they have, their perception of the external factors and their values towards the resource, and so on.

Third, this case confirms those heritage theories. Even within the community,

heritage construction legitimates certain power for some villagers. To develop historic village tourism, proper images of the heritage should be constructed to involve all community members, and to provide the space for them to participate. If villagers focus on the physical appearance of heritage, and their perception of heritage is restricted in several houses, and they will lose the argument base for their position in heritage tourism management. The "Joined-up" nature of cultural heritage, the tangible and intangible connections, as Turnpenny (2004) argued, should be considered carefully in heritage management, in order to create a position for the community, especially here, in the whole community.

### 6.4 Implications and Policy Suggestions

In the SNC construction, villagers' citizen consciousness and civil organizations are widely considered as cores of the success of this project (Yu 2006). Tourism may be a good choice for promoting rural development. However, the contestations emerging in this case imply that the two factors are significant impediments in tourism development. These social institutions restrain both institutional formation and collective action in tourism development. This case also shows that with government's retreat, neither will villagers automatically become independent nor civil organizations will be active and efficient. The two issues appear to be both obstacles and purposes of the project. So we need to systematically consider various factors influencing the institution formation and collective action from perspectives of practice and process. Among them, to construct villagers' right perception of the issue that is going on in their village, to make them understand the relationship between their life and the issues, and to enhance their participation, are the most important ways to eliminate the two obstacles and realize the two purposes. As Hall (2003:110) argued "the most effective starting point in seeking to make community tourism development work therefore is to make the process as transparent as possible. The more people can see a process in operation the more able they will be

to negotiate and plan in their own interests". During this process, the government should play a key role in assistance or sometimes more in directing, depending on the local context. On the way to a socialist market economy, markets, as a social institution, will play increasingly important roles in people's economic and social life. In some contexts where people have involved greatly in a certain market, the government may be more inclined to retreat to facilitate or provide public services (Zou 2006). But in some contexts where market has not played a significant role in social differentiation and daily life, the government is more likely to play an important role in promoting people's cooperative behaviors (Zhang, Yongli 2005). And this case is more likely to be the second situation. Since villagers had already some idea of their rights, but what is lacking are relevant knowledge, a way of expressing oneself or lack of communication. Government assistances should be more focus on improving villagers' knowledge, facilitating communication among them, and assisting to build conflict resolution system.

Secondly, value can be manipulated in tourism development. In this case, at the beginning, villagers thought there was no relationship between them and tourism development. Many of those who were living in the big houses considered the house as not their own property. Later, the enhanced fame of their village and increased tourism development aroused their pride in their village and changed their value towards these old houses. It is also possible to construct their value that takes interests of the whole village into consideration in decision-making and then to cooperate in tourism development, if they find an appropriate connection between that and their life. So, to avoid such conflicts or turn conflicts into cooperation among villagers, villagers or tourism management committee need to find a certain connection between the interests of the whole village and individual household's life. And the way to achieve it is again to promote community participation and communication.

#### 6.5 Limitations of the Study and Suggestions for Further Research

I have tried to get a better understanding of the conflicts and problems that are going on in the tourism development process in a historic village. Furthermore, through discussing these problems and conflicts, I aimed to show the interplay between people and institution formation of tourism management, and moreover to see how tourism development is related to rural social institutions in China. I mainly applied research methods, such as participant observation, interview and discussion, and secondary data analysis, to do this case study. I have kept track of how the issue was developing in this village for one year, from Feb 2007 to Feb 2008. And I went to the village many times and stayed quite long during two periods, one of which was from Feb 2007 to May 2007, and another of which was from Oct 2007 to Feb 2008. I think I have gained villagers' trust in my research and got plenty of information and data about this issue from local people and references for this research. From the perspective of conceptual construction, theoretical preparation and methodology, I have tried hard to make the research reasonable, analytic and reliable. However, for many constraints, such as my own limited knowledge and time restrictions, there are still many limitations as follows.

First, I focused on tourism related issues and problems in Tuanshan but didn't pay much attention on how the migrant workers from Tuanshan work outside the village. Although based on interviews and participant observations, I can argue that it did not help them to form significant cooperation organizations among villagers and establish functional social capital that would have contributed to the cooperation in tourism development, it is still a shortcoming for discussion of social capital in this village.

Second, since this village just came into researchers' and literates' sight not so long ago, i.e. the first document collection was taken in 1997, historic documents towards the village are rather limited. Many pieces of information and stories of the past depend on the local people's presentation now. Although I have paid attention to confirm the information and stories I got by corroborating with many villagers, it may be inevitably inscribed with their preference and selected memory since the stories in history are always reconstructed by people for different purposes. Also, I could not find historic documents to confirm these bits of information and stories again. Since my analysis was based on this information, I may have overlooked the bias or preferences it may bring with.

For further study on a similar topic, several points may be valuable pay attention to, as follows:

First is to discuss historic-village tourism further with the concept of common pool resources, to explore the possible property model for such resources in some successful cases, to discuss the possibility to situate the common pool resource property regime in China's heritage tourism management institution, to see how they are fit for each other.

Second is that, comparative studies may be carried out to compare the institution formation process and collective action in different villages in order to find out the common characteristics of developing tourism in this kind of village. That will help to make policies to construct suitable ways in the development of historic-village tourism.

Third, village lack of public life and communication among villagers seems a significant problem and restraint for resolving problems and conflicts emerging in village development. Consequently, how to increase villagers' communication and promote conflict resolution mechanism within villages will be an interesting topic for further researches.