

Optimization of Rural Tourism Industry Chain in China from the Perspective of Stakeholders

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Abstract: With the continuous development of rural tourism, the conflict of interests in the tourism industry chain has become increasingly prominent, which is a difficult problem affecting the sustainable development of rural tourism. Through the analysis of the main forms of interest conflicts of the stakeholders in the rural tourism industry chain, the work put forward a scientific and rational interest coordination mechanism for the balance of the interests of all stakeholders, while ensuring the sustainable development of the rural tourism industry.

1. Introduction

Rural tourism is a kind of tourism activity in rural areas, based on the unique rural habitats, landscape culture, rural scenery, agricultural production and natural environment. The rise and development of rural tourism is the demand of the times and the product of social and economic development. In 2017, the national rural tourism revenue reached 740 billion yuan, with the number of rural tourism reception exceeding 2.8 billion, and the number of various business entities of leisure agriculture and rural tourism reaching 330,000. It has increased 30,000 over the previous year. Rural tourism revenues have been rising in 2012-2017 (See Figure 1).

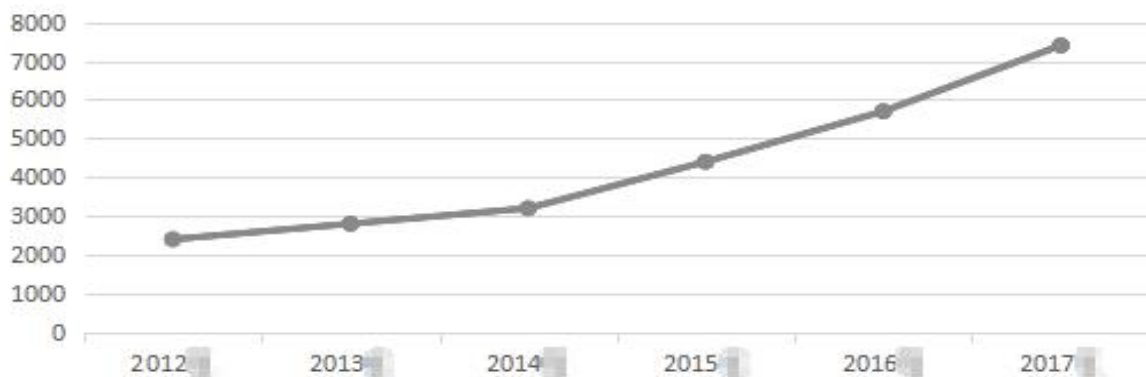


Figure1 Statistics on leisure agriculture and rural tourism income in China 2012-2017(million yuan)

As the tourism industry involves many industries, such as food, housing, transportation, tourism, shopping, and entertainment, it is necessary to consider the interests of stakeholders in the tourism industry, and achieve a balance of interests and responsibilities in the process of tourism industry development.

2. Related Concepts

2.1. Industry Chain

In the Wealth of Nations Adam Smith mentioned that "the industrial production is a series of chain based on the division of labor and circuitous production", which is the earliest elaboration of industry chain. The great significance of industry chain is to realize the value appreciation through division of

labor. With the development of economy, improvement of productivity, and progress of science and technology, the industry gradually diversifies. In different production departments and production relations, the industrial connection is different. From the perspective of industrial connection, Qinlin Gong believed that the industry chain realizes the internal technical and economic connection of several relevant industrial departments in economic activities, which is in the form of a chain.^[1]The industry chain is composed of product chain, collaboration chain and value chain, and its stability and development are inseparable from the joint cooperation of all departments in the chain.^[2]

2.2. Industry Chain of Rural Tourism

Tourism industry chain is the extension of industry chain theory,^[3]and it has attracted wide attention from all walks of life as a new field of industrial economy research. With the rapid development of rural tourism, the rural tourism industry chain, as one of the important contents in rural tourism and the theme tourism industry chain, has received more attention. Focusing on the production and sales of rural tourism products, the competitive rural tourism enterprises are taken as the cores. Since the relevant enterprises (or business entities) of food, housing, travel, tourism, purchase, entertainment, etc. belong to different industrial types, the related industry dynamics is formed.^[4]

2.3. Definition of Stakeholders in Rural Tourism Industry Chain

In 1984, Freeman published the classic work *Strategic Management: A Stakeholder Approach*, referring to the Freeman's definition of stakeholders. The stakeholders of rural tourism industry chain refer to "any group or individual that can affect or be affected by the harmonious development of rural tourism industry". It includes all levels of government departments, tourism industry (tourism developers, transportation departments, scenic catering and retailers), tourists, rural residents (tourism employees, local enterprises), pressure enterprises (environmental protection, wildlife protection departments and human rights protection, employee rights departments), volunteer departments, experts (business consultants, academics), the media and other relevant personnel.

Combining the rural tourism industry chain with stakeholder theory, the tourism consumption in food, housing, travel, tourism, shopping and entertainment refers to the demand of tourists, and forms the product chain. The main stakeholders of government, local villagers, tourism, and tourists have formed a chain of collaboration. Finally, the economic behaviors of the product chain and stakeholders form the value chain for the appreciation of tourism activities.^[5] (See Figure 2).

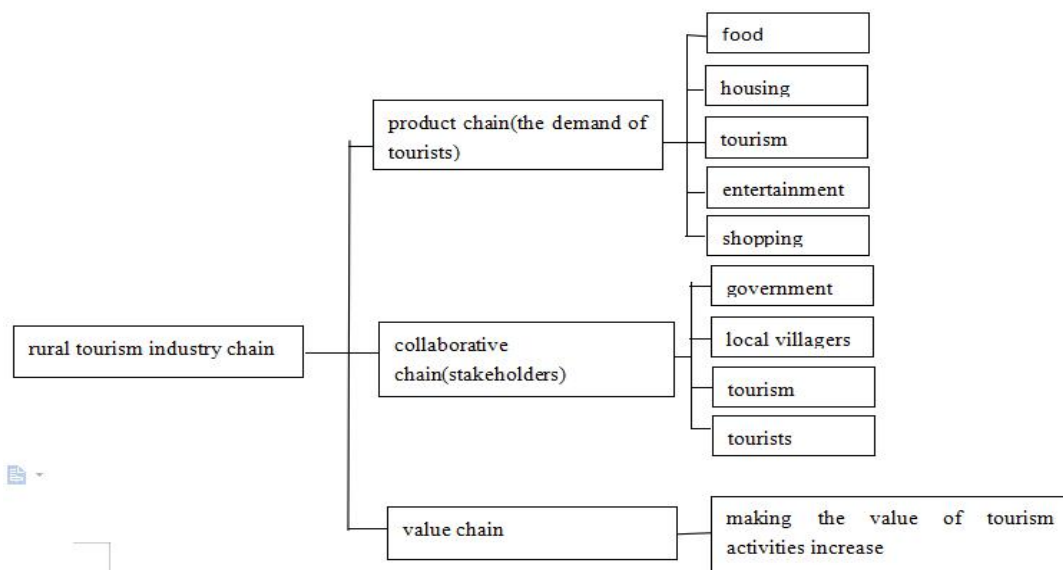


Figure 2 Composition of rural tourism industry chain

These stakeholders come from different departments and industries, with their own goals and interests; however, they are inextricably related to the development of rural tourism industry. Without

their active participation, the rural tourism industry will not achieve the sustainable development. Because of different interests, there are bound to be contradictions and conflicts in the development of rural tourism industry.

3. Main Manifestations of Conflicts of Interest among Stakeholders in Rural Tourism Industry Chain

3.1. Conflict of Interest between Government Departments

In government management, the tourism industry should develop with ecological balance. Based on current situation of China's tourism industry, the relevant government departments only consider the interests of jurisdictions under management rather than the overall development of tourism industry. It leads to the damage of local ecological environment, repeated and excessive exploitation of tourism resources.

3.2. Conflicts of Interest between Tourism Companies and Government Departments

Tourism companies aim at creating profitability for survival. However, the development of tourist attractions has characteristics such as long construction period, large investment scale and slow return on income. Therefore, the companies probably maximize the profitability regardless of the cost of environmental damage, which goes against the goals of government departments.

3.3. Conflicts of Interest between Local Rural Residents and Tourism Companies

Local rural residents are concerned about the good changes that rural tourism brings to themselves, such as local infrastructure, living conditions, environment, employment opportunities and incomes. It is not considered whether tourism developers will make a profit. For example, there is a contradiction between rural tourism attractions and farmhouse resorts in prices and commissions. Local farmers are likely to collide with foreign developers.

3.4. Conflicts of Interest between Tourists and Local Residents

Tourists are expected to get high-quality travel experiences including spiritual and material satisfactions. With the daily increase of experience demands, tourists tend to pursue the personalized, leisure and beautifying travel experiences rather than popular tourism products. However, the local residents are not interested in travel experiences, which lead to the conflicts of interest between tourists and local residents, such as the improper behaviors of local residents.

4. Countermeasures for Stakeholder Conflicts in Rural Tourism Industry Chain

According to the above analysis, the conflicts of interest among stakeholders are not conducive to the long-term development of the rural tourism industry and local regional economy. Therefore, we should start from the following aspects.

4.1. Strengthening the Government's Macroeconomic Regulation

With the development of rural tourism industry, different stakeholders mutually affect each other for different purposes in economic activities. Therefore, the government should play a leading role in coordinating the conflicts of interest in the rural tourism industry chain.

4.1.1. Government Functions from Dominance to Guidance

In economic operation management, the government should regulate the behaviors of tourism companies and developers by weakening the economic functions and formulating tourism industry policy in the tourism market. The main task of government is to master the spatial layout, industrial structure, and strategic positioning issues of rural tourism industry.^[6]

4.1.2. Rational Use of Economic Leverage

In rural tourism industry, the government should lower the threshold of project investment, product development and farmer management by formulating preferential credit, land use and tax reduction policies, thus promoting the sustainable development of tourism industry. In addition, it is necessary to increase penalties for tourism enterprises and individuals that damage the ecological environment. The construction of environmental laws is strengthened for the coordinated development of various stakeholders in tourism industry chain.

4.1.3. Investment Orientation of Tourism Funds

The government should apply the tourism funds to the construction of tourism infrastructure and personnel training projects while expanding the special allocation of finance to tourism. Using public-private partnerships, the construction of public projects with large investment and long cycle is accelerated to release the local financial pressure, thus satisfying the interests of other stakeholders.

4.1.4. Rational Planning of Tourism Resources

The government should rationally develop tourism resources by determining the strategic positioning of rural tourism industry in local economic development. Besides, the rational development plans are formulated to ensure the sustainable development of rural tourism industry.

4.2. Establishment of Tourism Industry Arbitration Association

To better promote healthy development of rural tourism industry, we establish a tourism industry arbitration association, which is independent of the administrative organization. Belonging to the tourism industry supervision, the association establishes a sound arbitration supervision mechanism. The establishment of tourism arbitration association is of great practical significance for the improvement of arbitration mediation mechanism, legitimate rights of tourists, good consumption investment environment and high-quality development of tourism.

Jiujiang in Jiangxi, China is initiative to build a world-famous landscape culture city and tourist resort for the economic and social high-quality leap-forward development. In 2019, the Jiujiang Arbitration Commission and Jiujiang Tourism Association formally established the Jiujiang Tourism Arbitration Center, the first tourism arbitration agency in China. The center is built into the “110 platform” for tourism in Jiujiang by answering the complaint calls 24 hours a day. In addition, an arbitration mediation room is set up for the quick mediation in the scenic spot, equipped with 1 to 3 professional mediators. After establishing the deposit system, the tourism companies pay a certain amount of deposit to the tourist association. In case of fault, the tourist association advances the payment from the security deposit to make the immediate settlement of claims.

4.3. Establishment of Tourism Industry Supervision Agency

The tourism industry supervision agency can be composed of experts in tourism, the public, the media, tourism companies and representatives of local residents. Its functions are mainly described as follows. Firstly, the agency ensures a balance of interests by supervising the behaviors of stakeholders involved in the whole process of tourism industry, thus promoting the overall coordinated development of tourism industry. Secondly, the agency can serve as an information platform for information communication and feedback of stakeholders in the tourism industry.

The supervision agency performs the following responsibilities. Firstly, the management behaviors of local government agencies are supervised to prevent the abuse of power for personal gains. Secondly, the business behaviors of tourism enterprises are supervised to prevent tourism enterprises from neglecting local villagers, damaging ecological environment and operating against regulations in pursuit of economic interests. Thirdly, local residents obtain benefits from tourism through appropriate channels and legal means under supervision. Fourthly, the tourism quality of tourists can be investigated regularly to more accurately understand the needs of tourists.

4.4. Protecting and Respecting Local Culture

Culture is the soul of tourism. Chinese rural culture is the support to the rural tourism industry chain, as well as the spiritual support of balancing the interests of stakeholders. Chinese traditional culture has long history, unique values and lifestyles. For example, in the development of tourism industry, the stakeholders can get along in harmony based on the concept of “peace is most precious” in traditional culture. People mutually understand each other in the communication process to provide more comfortable tourism environment for tourists. Each region has its cultural heritage. By combining the regional traditional culture with tourism resources, tourists can understand the local traditional culture. A purposeful combination of resources and culture achieves high-quality tourism experience by understanding local customs and habits.

5. Conclusion

In the development of rural tourism industry, the contradictions between stakeholders should be alleviated to ensure the long-term sustainable development.

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