

Economic Analysis on Problems Derived from Rural Tourism “Enclave Operation”

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Abstract. As a new field of tourism development, the rural tourism is an effective means to develop rural tourism resources, adjust agricultural production structure, expand rural labor employment, increase peasants' income, break China's urban-rural dual structure, and realize overall urban-rural development. However, the serious “enclave operation” of rural tourism brings some problems such as strained community and society relation, “tragedy of the commons” of rural tourism resources, and environmental pollution in rural tourism; this paper makes use of economic mode to carry out analysis and proposes some constructive countermeasures.

Overview of rural tourism “enclave operation”

The rural tourism “enclave operation” refers to the situation that the space of leisure activities in rural tourism is separated from local main territory unit and becomes travel operators' feature although it depends on local land and tourism resources. The travel operators depend on their fund and technology advantage to occupy operator position of rural tourism, and they adopt enclosure way to build large-scale leisure tourism accommodation facilities; when they make operation, they employ cheaper nonlocal labor force. The city people occupy the development chance and wealth which originally belong to peasants.

The villages with undeveloped economy not only have good natural tourism resources and humanistic tourism resources which can be used to develop tourism, but also have the urgent demand of developing tourism and attracting nonlocal tourists to travel to promote local economic development. However, due to laggard economic development level and insufficient reserve of “modern knowledge”, those areas need to depend on external capital and advanced operation concept to support development of local tourism. Therefore, the external capital and tourism enterprises from developed areas gradually dominate the tourism operation in local areas through contracting, leasing, purchasing, and other ways, and the local capital and personnel are rejected beyond tourism operation for a long time, which finally results in occurrence of tourism “enclave operation”. The rural tourism “enclave operation” phenomenon is a concentrated reflection of tourism pan-economy; it may promote local economic development in a short term; however, on a long view, it is not good for orderly development of rural tourism.

Problems derived from rural tourism “enclave operation”

In many large-scale rural tourist attractions with industrialized operation, the investors from city monopolize the right of management of tourism resources and grab most of tourist incomes; however, local peasants only obtain weak dividend, compensation and limited low-end tourism employment or operation chance after they lose the right of management of tourism resources and even land and house. This kind of tourism development has small relevance with local development and weak interdependent function; the tourism multiplier effect shall be greatly discounted. The rural tourism interests are monopolized by few people and a blood drawing mechanism is formed; this rural tourism development mechanism damages local sustainable development and cause a series of problems.

Strained community and society relation

G.v.Doxey once summarized (Table 1-1) “Elydykes mode” with respect to relation between social tension and tourism development. Due to tourism enclave operation, there exists great

conflict of interest between local residents and investors, which results in the situation that the residents serve as destroyers in tourism development process and enter into the fourth stage of “Elydykes mode”, such as intercepting tourists on the road, cheating tourists at a high price, bullying the tourists in disguised form, and even beating up tourists. For example, due to admission ticket dividend conflicts, many core scenic areas are successively closed in Wuyuan, “China’s Most Beautiful Village”; the villagers of Likeng collectively block the vital communication line through which the tourists enter into scenic areas due to their damaged interests. The occurrence of those behaviors results in chaotic economic order and frequent occurrence of social security problem, and also influences sustainable healthy development of rural tourism.

Table 1-1: Elydykes mode

Stage	Feature	State
Stage I	Joyful	The tourism resources have been not formally developed yet, and the visitors are welcomed.
Stage II	Indifferent	Local people are accustomed to visitors, and the contact becomes increasingly commercialized.
Stage III	Angry	Local people feel anxious about tourism and show anger.
Stage IV	Hostile	Local people show open hostility and attempt to reduce the damage from tourism trend.

Data source: RYAN C .Tourism: A Social Science Perspective[M].London:Routledge,1991

“Tragedy of the commons” of rural tourism resources

In rural tourism activities, the core product which attracts tourist is the unique tourist attraction with rich rural feature. The main feature of such attraction is “rural property”, that is, folk culture, local conditions and customs of original taste. The rural tourism resources are common resources, and the ambiguous property right causes “omission” of tourist resources owners; as one interest subject, the community residents are rejected beyond tourism operation activities and under the condition of omission of interest subject; furthermore, the community residents’ interest appeal always can’t get attention from relevant department for a long time, and the community residents lose the right to participate in tourism development, operation and management and obtain economic interests. Meanwhile, the rural tourism resources have competitiveness, which results in the situation that they are quickly excessively used by rural tourism operators, thus causing disastrous consequence of “tragedy of the commons”. Firstly, the folk culture is damaged. Due to influence of “enclave operation”, the local villagers, as important inheritance of rural folk culture, successively go out to work in other cities, and there are no successors for traditional crafts with obvious local feature; the urban culture accompanying with operators causes great impact on local rural culture, thus causing disintegration of local culture. The “visit to Tibetan’s home” is originally an important form for tourists to know Tibetan people’s life; however, currently, the tourism operators lease the house from Tibetan people, and employ local small troupe to play Tibetan people’s life; this “staged” and “fakelore” break away from Tibetan people’s life style of original taste. Secondly, the rural tourism has serious commercialization. The rural tourism operators change the rural towns with unique features as modernized towns in the name of “restoring the old as the old”; the dwellings which inherit rural traditional culture are removed or decorated according to modern standard; the operational houses have serious trend of urbanization, modernization, and commercialization.

The rural tourism environment is damaged

In order for current economic benefit, the tourism operators carry out excessive development for rural tourism resources, and over-capacity operation in the operation and management process, which causes irreversible damage on rural tourism resources and environment. This paper attempts to make analysis by use of external diseconomy.

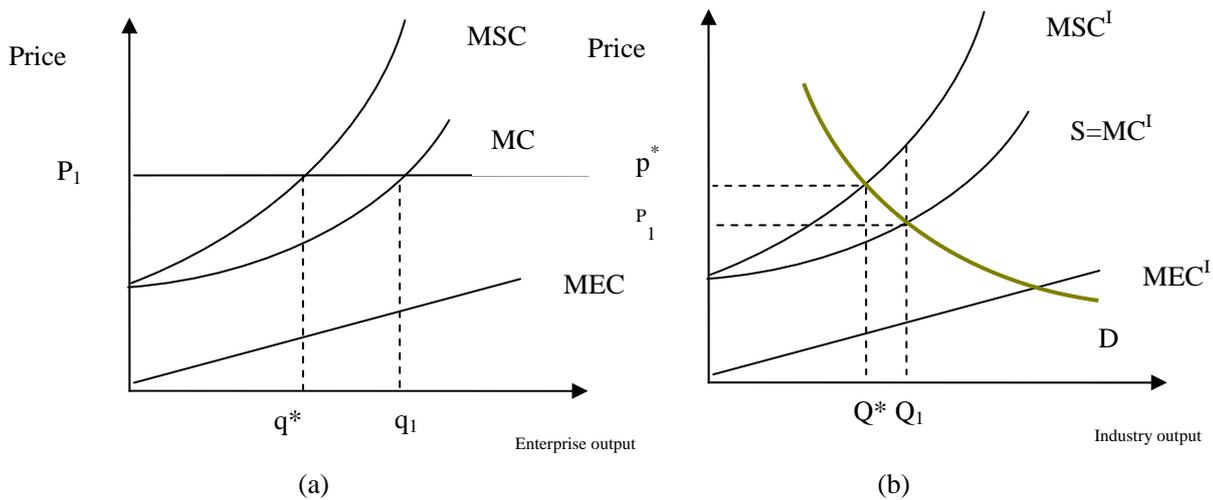


Figure 3-1. External cost

Figure 3-1 (a) shows the production decision of tourism enterprises in competitive market, and Figure 3-2 (b) shows the market demand and supply curve when it is assumed that all tourism enterprises have similar externality. When there exists negative externality, MSC (marginal social cost) is larger than MC (marginal private cost), and the balance is MEC (marginal external cost). MEC measures the external cost when the tourism enterprise adds one unit output, that is, with increase of output and discharge of “three wastes” of tourism enterprise, the cost of curbing environmental pollution is increased accordingly. In Figure (a), $MSC=MC+MEC$ (that is, the marginal social cost curve is obtained via marginal cost at each output level plus marginal external cost), and MSC and price line intersect at the output of q^* ; at this time, only one tourism enterprise discharges “three wastes”, thus the market price of production remains unchanged; however, the output of tourism enterprise is q_1 rather than q^* , thus causing excessive “three wastes”. In Figure (b), the effective level of industry is that the marginal income output from additional unit is equal to output level of marginal social cost. Because the demand curve is used to measure customers’ marginal income, the effective output is Q^* which lies at the intersection of MSC and demand curve D. However, the competitive output of industry is Q_1 , which lies at the MC intersection of demand curve and supply curve; it is obvious that the output of whole tourism is improved. Because each unit output will result in some pollution, the caused pollution is increased accordingly under the condition of excessive output. Because the external cost is not included in production cost of enterprises, the average private production cost is lower than average social cost. In order to get return and seek for maximized profits, the tourism enterprises add supply as much as possible and discharge “three wastes” without limitation. In a word, the existence and accumulation (stock of external diseconomy) of external diseconomy results in aggravation of environmental pollution in rural tourism.

Countermeasures taken to solve problems derived from rural tourism “enclave operation”

To pay attention to localization of tourism industrial chain, and mitigate social strained relation

Avoiding “enclave operation”, paying attention to localization of tourism industrial chain, and reasonably distributing tourism income is very important in rural tourism development, and it is also the fundamental guarantee for sustainable development of rural tourism. Under the trend of rapid development of rural tourism, the enterprises and government shall pay high attention to guaranteeing the local villagers’ interests. Meanwhile, if the interests of tourism enterprises can’t be guaranteed, the input to scenic spots is insufficient, and the tourists’ dissatisfaction increases, there will be a loss at both sides. It is required to fundamentally solve conflict of interests between villagers and scenic areas, solve various problems brought by “enclave operation”, and realize the

win-win situation that the villagers' income increases, the tourism companies make profit, the government benefits, and the tourists get satisfied. The main practices are shown as below:

A. To establish perfect and reasonable interest distribution mechanism. The reasonable interest distribution mechanism is used to guarantee sustainable development of rural tourism. When the condition becomes mature, it is able to let villagers have shares, and make villagers share joys and sorrows with scenic areas. While the government provides certain preferential policies such as tax, use of land, propagandizing and popularizing, it shall also enhance the restriction on market environment, including assisting establishment of trade association, encouraging peasants or operators to establish non-governmental organizations, for the purpose of letting community residents truly benefit from tourism, realizing poverty alleviation function of tourism, and making them consciously maintain the harmonious relation with tourists.

B. To guide community residents' wide participation. The government department shall make overall consideration and solve deep-level contradiction; it can let more villagers participate in management and service of scenic areas. The rural tourism has strong relation of dependence on rural folk culture and rural regional characteristics, which determines the fact that the development of rural tourism can't be separated from local residents' active participation. After the community residents participate in tourism service, it is able to enhance local unique cultural atmosphere and improve the attraction of resources. The unsophisticated folk custom can be used to create an atmosphere attractive to tourists. In the process of developing rural tourism, it is required to actively organize local residents to participate in tourism service, and arrange the folk culture tourist project with local feature and national feature so as to make external tourists feel rural cultural atmosphere of original taste.

To solve “tragedy of the commons” of rural tourism resources based on Coase theorem

It is thought in Coase theorem: the reason why the public resource is excessively used and the “tragedy of the commons” happens is vague right to use or right to earnings, and the main measure taken to solve this problem is that the property right is clear and can be transferred. The reason why the clear and transferable property right can solve the “tragedy of the commons” is that the clear and transferable property right can make dead person cost (or interest) and social cost (or interest) tend to be consistent. The fundamental purpose of innovating and perfecting management system of resort district is to specify the property right of tourism resources from micro level.

A. To specify the management right of resort district. The management of various kinds of tourism resources belongs to different departments, for example, the forest is managed by forestry department, the cultural relics are managed by cultural relics department, and the infrastructure construction is an field governed by urban construction department; this is also the reason why the resort district has an unclear right of management. Therefore, it is required to establish a special institution (such as scenic area management council) to exert the uniform management right of scenic area; however, it shall be an institution with neutral interests and independent position, and its members shall consist of professional personnel of different government departments (such as tourism, construction, environmental protection, traffic, and commerce) and the sufficient expenditure shall be provided to ensure high working efficiency.

B. To realize the separation of management right and use right. The management institution shall not directly or indirectly participate in various operation activities in tourism area; due to specificity of resource assets of resort district, it is required to reasonably separate resource assets from operational assets, and also separate their ownership, management right, and operation right in a scientific way according to their features.

C. To establish and perfect the supervision mechanism on resort district. Except for enhancing the supervision of resort district management institution on developers, it is also required to organize a supervision institution which consists of local residents, experts and scholars, and scenic area manager for convenience of carrying out frequent, real-time, and effective supervision on developers.

Countermeasures taken to eliminate the influence of external diseconomy on rural tourism environment

A. The government adopts economic means to eliminate external diseconomy. One of effective measures is to establish and perfect market-based economic incentive mechanism. This measure is a behavior which mainly depends on compulsory force of government, and adjusts or influences tourism enterprises through price, tax (charge), credit, microeconomic incentive, and other economic lever according to value rule. The fundamental purpose is to make the price faced by tourism operators change due to their harmful or beneficial behavior on environment or culture, and realize the consistency between private cost and social cost through including external expense into their actual cost so as to urge them to change behavioral pattern. The specific measures include: levying scenery resource tax towards tourism developers; collecting fee for water resource consumption and pollution of rural hotel and Agricola restaurant; encouraging water resource and environmental protection.

B The government adopts administrative and legal means to eliminate external diseconomy. The government's laws and regulations are requirements or prohibitions for specific behavior and directly intervene the external diseconomy of tourism. The laws and regulations force tourism operators to abide by them; otherwise they will be punished according to the law, with clear objective, compulsory exertion, direct effect and other advantages. Therefore, the legal means can make up the defect that the economic incentive measure has insufficient constraint force. The specific content of laws and regulations is prohibition, standard, and license, etc.

Conclusion

The main purpose of developing rural tourism is to promote community development, realize poverty alleviation and prosperity achievement, as well as protect tourism resources and environment and realize sustainable development of rural tourism; this is the subject of developing rural tourism. This paper analyzes the problems derived from "enclave operation" in tourism from economic perspective, and proposes some constructive countermeasures for the hope that more valuable opinions can be proposed; after all, the problems need to be jointly solved by government, tourism investors and operators, and community residents.

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