Tourism Commercialisation, Heritage Preservation and State intervention in China’s historical Towns

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Research Case—Lijiang, Yunnan

- Lijiang Ancient Town—a world heritage site with a strictly-preserved core area of 140 acres
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Tourist Arrivals (Million)

Domestic Tourist Arrivals

Overseas Tourist Arrivals (Including Taiwan, Macau and HK)

Research Background

- Intense tourism commercialisation in historical towns in China

1. Zhouzhuang, Jiangsu Province in 2000—313 shops directly targeted tourists, accounting for 67.5% of all shops in the town;

2. Dali, Yunnan in 2002—as high as 85.9% of shops in two main roads in the town, directly or indirectly, serving tourists.

Is commercialisation a prevalent phenomenon in China’s historical towns?
Research Objectives

- Commercial transformation is the key to studying tourism development and urban conservation in historical towns since the immediate impacts of tourism are reflected in this transformation.

- This research aims to
  1. explore whether commercialisation is an inevitable outcome as a result of tourism development in China’s historical towns if external intervention is absent.
  2. examine state intervention as an effective strategy in heritage preservation.
Important Definitions

- **Heritage Tourism**

1. heritage tourism evinces *nostalgia* for the past and the desire to experience diverse cultural landscapes and forms* (Zeppel and Hall, 1992:47).

2. heritage tourism is “centered on what we have inherited, which can mean anything from **historic buildings** to **art works**” (Yale, 1991:21)
Tourism Commercialisation

A special commercial landscape in tourism destinations:

1. Tourists overshadow local residents and become the main market of commercial provision;

2. Businesses are overwhelmingly oriented to tourist commodities and services;

3. The commodities in the market are characterised by homogeneity, mass-assemble, and indifference to locals’ demands.
Research Methods

- **Site survey**
  1. investigate the uses of the houses at the ground floor along the main streets in Lijiang in July 2002 and classify all uses in terms of their relations with tourists
  2. the area investigated covered 60% of the town’s core area

- **Participant Observation**
  explore tourists’ tour routine in the town and their consumption
<table>
<thead>
<tr>
<th>Shops</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourist-oriented shops</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Souvenir</td>
<td>367</td>
<td>40.7%</td>
</tr>
<tr>
<td>Ethnic costume</td>
<td>101</td>
<td>11.2%</td>
</tr>
<tr>
<td>Local specialties</td>
<td>79</td>
<td>8.8%</td>
</tr>
<tr>
<td>Bar</td>
<td>44</td>
<td>4.9%</td>
</tr>
<tr>
<td>Guesthouse</td>
<td>37</td>
<td>4.1%</td>
</tr>
<tr>
<td>Book/CD shop</td>
<td>23</td>
<td>2.6%</td>
</tr>
<tr>
<td>Tourism Service</td>
<td>22</td>
<td>2.4%</td>
</tr>
<tr>
<td>Hotel</td>
<td>7</td>
<td>0.8%</td>
</tr>
<tr>
<td>Naxi music Hall</td>
<td>2</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>General shops</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td>90</td>
<td>10.0%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>59</td>
<td>6.5%</td>
</tr>
<tr>
<td>Grocery</td>
<td>34</td>
<td>3.8%</td>
</tr>
<tr>
<td>Clinic</td>
<td>12</td>
<td>1.3%</td>
</tr>
<tr>
<td>Resident Services</td>
<td>24</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>901</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Data Analysis

- In Lijiang Ancient Town, more than 75% of houses were used for tourist businesses and only 2.4% of them exclusively served local residents.

  Shops were highly dependant upon tourist rather than the locals.

- In different streets, the lower the house rent was, the higher portion of residential uses was.

  It is market mechanism that determined the distribution of shops.
Data Analysis

- Market mechanism allocated the shops with high profits to the streets with greater location, i.e. the streets that tourists passed more frequently than others

1. The mechanism for allocation rests upon house rent.
2. The orientation for allocation is tourists’ demands.
## Comparison of Shops in 2000 and 2002

<table>
<thead>
<tr>
<th></th>
<th>June 2000</th>
<th>August 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Shops for tourists</td>
<td>145</td>
<td>39.6</td>
</tr>
<tr>
<td>Accommodation</td>
<td>6</td>
<td>1.6</td>
</tr>
<tr>
<td>Restaurant</td>
<td>47</td>
<td>12.8</td>
</tr>
<tr>
<td>Shops for locals</td>
<td>94</td>
<td>25.7</td>
</tr>
<tr>
<td>Residency</td>
<td>61</td>
<td>16.7</td>
</tr>
<tr>
<td>Empty houses</td>
<td>13</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>366</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Adopted from author’s Data and Yamamura (2004)
Comparison of Shops in 2000 and 2002

- The number of shops rose rapidly and the added shops largely served tourists.

- More shops jostled for the positions in the streets with better locations, such as Dongda street and Sifang Square.

- Tourist shops expand to the streets untouched by tourists before, such as Xinyuan Lane and Bayi Upper Lane.
Theoretical Analysis

- Tourists are inclined to visit the sites with high attractiveness and experience as many sights as possible in limited time through a circular routine.

- Houses along tourists’ regular routines have more opportunities to attract tourists;

- Merchants have to pay high rent for the property of using them and inevitably converted these houses into tourist shops for high profits;
Theoretical Analysis

- **The magic of house rent**
  1. For inhabitation, it cannot generate any economic profit for house owners and then the value of house is nearly zero or even negative;
  2. For tourism use, it encourages merchants to pay high rent to fulfil the value of house in tourism market;

When rising to some extent, this rent dwarfs the use for inhabitation and convert houses into tourism shops for economic profit.
Theoretical Analysis

- **The magic of house rent**

3. Under market mechanism, the houses along the main streets will be transformed into tourist shops if tourist continue flowing into Lijiang Ancient Town and external intervention is absent.

4. Lijiang Ancient Town will become a tourism market and shops serving local residents will be excluded from the town as locals’ buying power is far less than tourists’.
Theoretical Analysis

- **Rational Choice on tourism commodification**
  - people’s rational choice basing on their cost-benefit calculation and aiming to maximize their own interests.

1. tourists’ choice—to fulfil experience consumption and symbol consumption

2. House owners’ choice—to rent out their house and acquire high and stable rent to improve their life;

3. Merchants’ choice—to pursue economic returns in Lijiang’s tourism market
4. Officials’ choice—tourism revenues, employment opportunities, flourishing tourism ambience, benign tourism development, etc.

Passive state intervention—
The local government acquiesces the expansion of tourist shops in the town; once this expansion or merchants’ illegal transaction threaten its political interest, the local authority then steps out to activate intervention.
Theoretical Analysis

Summary for theoretical analysis

1. Merchants used high rent to convert residential houses into tourism shops to serve tourists with higher buying power;

2. As official, tourists, merchants and house owners eagerly pursue their own maximum interest, they display their consent to tourism commodification and unwillingly take action to stop it.

3. Therefore, the town becomes a tourism market for tourists’ consumption and tourism commodification is inevitable.
Concluding Remarks

- Not only in Lijiang, but in many other historical towns in China, tourism development turns their streets and residential houses into sites for tourist shopping and space for economic returns;

- Tourism commercialisation in these towns culminates in a shopping centre encrusted with variegated heritage symbols so that historical towns completely lose their authenticity and originality as a living space for the locals.

- This outcome totally contradicts with the UNESCO’s ideal of heritage preservation.
Concluding Remarks

- In the context of China, state intervention can be regarded as an accepted mechanism to withstand market force in the process of tourism commercialisation;

- The well-planned advance intervention in the early stage of tourism development can stop the formation of tourism commercialisation, as shown in the case of Xidi, Anhui province.
Concluding Remarks

- Well-planned advance state intervention is an active strategy
  1. Basing on the successful or failed cases in other sites and according with local condition
  2. Implemented before the mass tourism development and designed for overseeing the rampant market forces
  3. The purpose is to obtain maximum benefit for all interest groups at the least price.
Thank you very much!