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Ecotourism, Community Participation and Benefit Sharing in the Restricted Development Area of China

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Outline

- 1. The importance of ecotourism in Restricted Development Zone in China
- 2. Three types of community participation and benefit sharing in ecotourism in RDZ in China
- 3. Main problems and challenges for community participation and benefit sharing in ecotourism
- 4. Future development in community participation in ecotourism and research issues.



1. Ecotourism in the Restricted Development Zone (RDZ) of China

- For greening the local economy, ecotourism is one of the most important characteristic industry or main industry in some areas in RDZ in China with good accessibility and tourist attractions.
- Ecotourism is an alternative livelihood for the local people because of some limited access to the natural resources.
- Ecotourism or rural tourism is promoted by the Chinese national or local government in these areas, by the infrastructure investment, labor training program, or as a part of the Poverty Alleviation or Rural Integrated Conservation and Development Program.

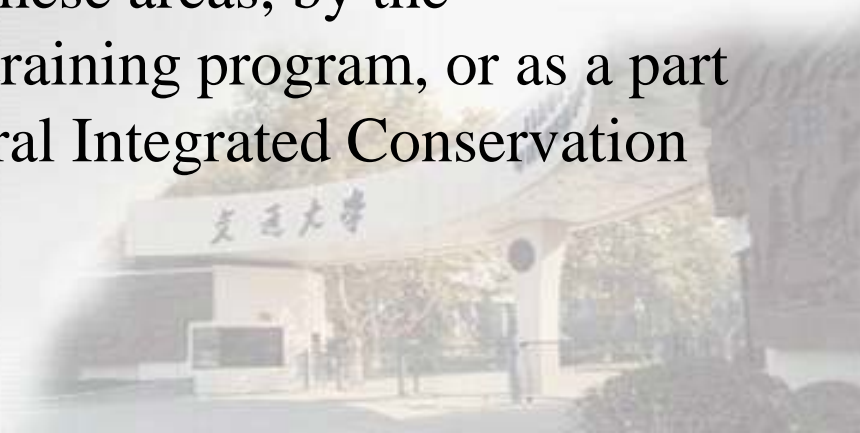


Fig 1 Key Ecological Function Zone in China

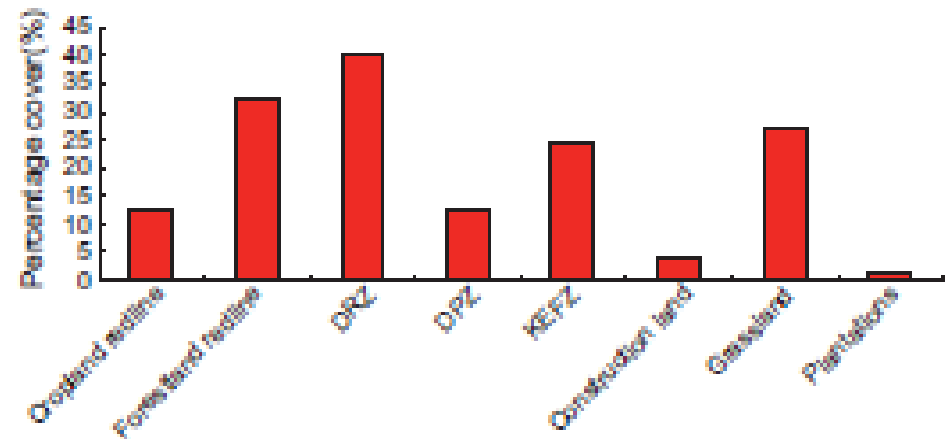
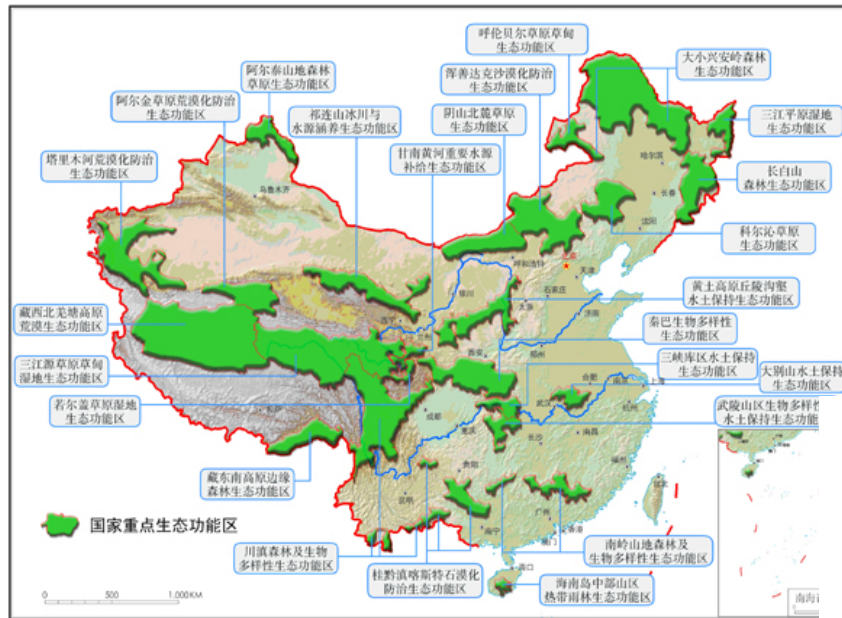


Fig. 1 – The percentage of total land mass to be occupied by major land management categories by 2020 in China. DRZ, Development Restricted Zones; DPZ, Development Prohibited Zones; KEFZ, Key Ecologically Function Zones.

Source: Lu, et al., 2013



- Community participation or how to build benefit sharing mechanism in ecotourism is an important issue in China or other developing countries.
- Previous literature holds that the community participation and benefit is low in ecotourism because of the institutional, human resource, economic barriers etc.





2. Three typical types of community participation or benefit sharing in ecotourism in China

Generally, 3 types or models can be summarized.

(1) Developer dominated with some local indigenous community involvement.

“company + community + household”

(2) Community dominated;

(3) Tourism Eco-compensation for Local Community.





Tourism developer dominated with some local indigenous community involvement

The most popular form of community participation in ecotourism is Tourism Developer dominated. Tourism Developer maybe local state-owned company, or external developer or company.

- Jiuzhaigou (Nine Tibetan Villages, tourism is in rather mature stage)
- Nuoji Village, Yubeng Village, Langde Village, or Zhongba Cayon Shiquan County, Ankang City, Shaanxi Province, tourism is in primary stage;
- Daizu (Dai Minority) Garden, tourism is in intermediate Stage.





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Jiu Zhai gou Nine Tibetan Villages





Integration of Tourism Developer, Community in Eco-tourism development : Case of Jiuzhaigou

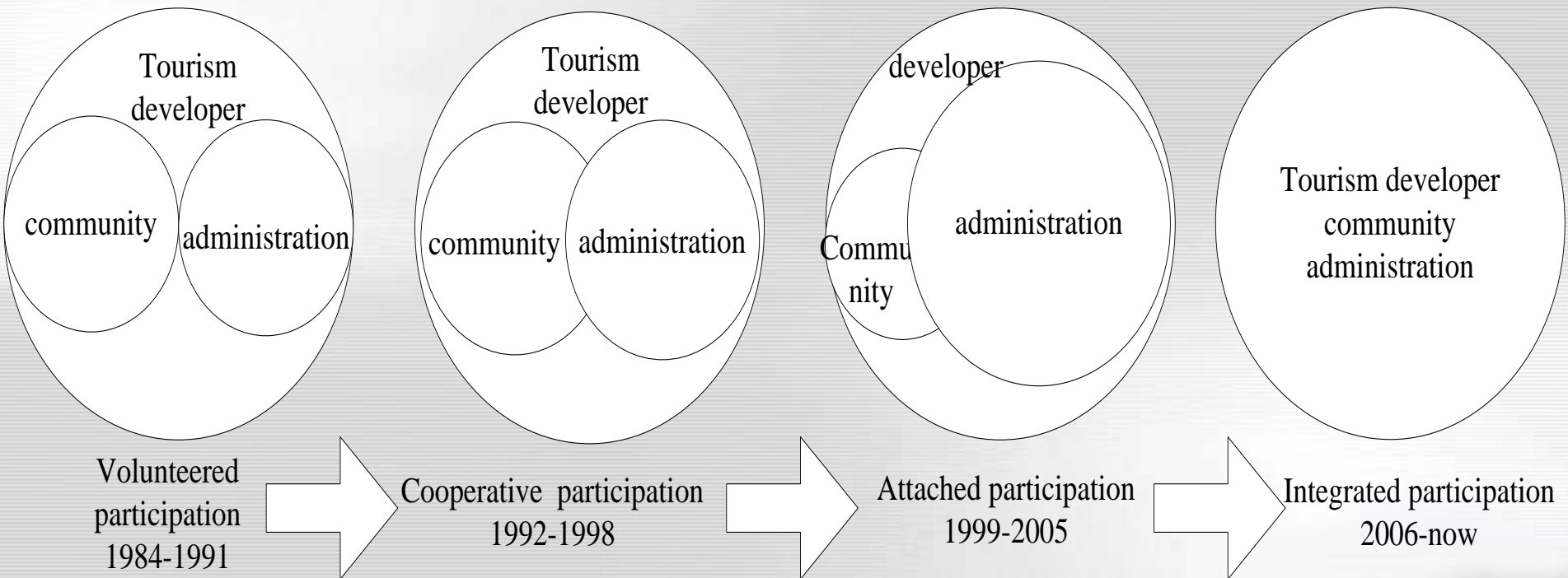


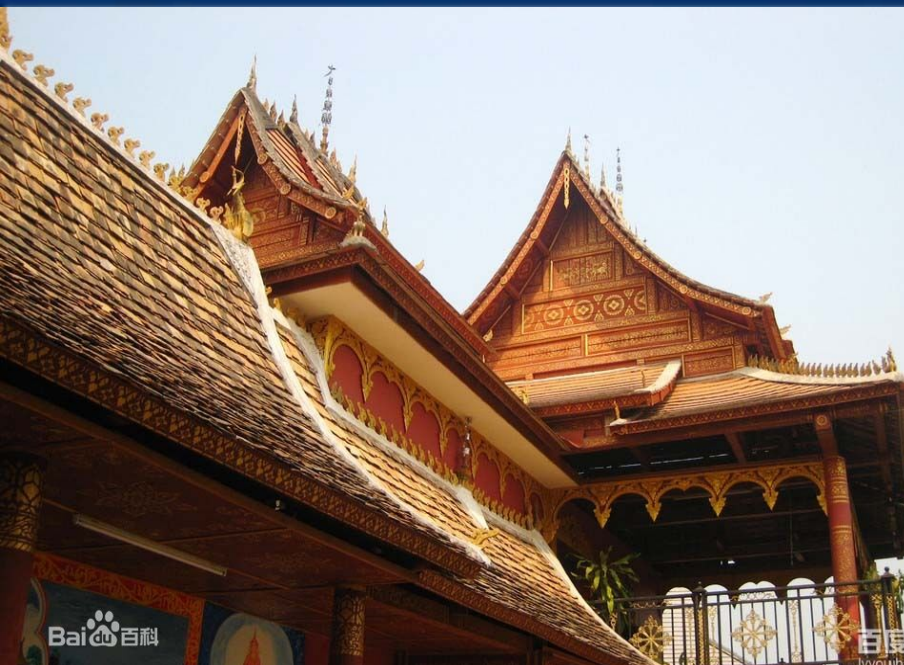
Fig.2 Relationship Change among Jiuzhaigou Tourist Administration, Community and Tourism Developer





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A CASE of Tourism Development in Primary Stage (1):

Tab 1: Nuoji Developer Gross Revenue and some operation expenditure

year	gross revenue	Wage for community		Tax for government		Land rent	
		sum	ratio	sum	ratio	sum	ratio
2007	522.34	23.3	4.5	38.86	7.4	2	0.38
2008	582.53	28.5	4.9	42.19	7.2	2	0.34
2009	653.69	31.2	4.8	46.08	7	2	0.31
2010	727.91	33.8	4.6	49.96	6.9	2	0.27
2011	820.05	35.3	4.3	53.14	7	2	0.24

Unit: 10,000 RMB

Land rent is 200,0000 RMB for the first 10 years. Land rent is 400,0000 RMB for the second 10 years. The 3rd 10 year is to be determined.

(Source: Wu et al., 2014)





A CASE of Tourism Development in Primary Stage (2):

Tab 2: Developer, community and government public expenditure in Nuoji

Item / year		2007	2008	2009	2010	2011
External Developer	Education subsidy	0.35	0.1	0.25	/	/
	Pension subsidy for the elderly	0.7	/	0.3	/	0.15
	Village infrastructure	/	/	0.8	/	/
	Operation cost	265.5	276	307	321.6	427.5
	Ratio of operation cost	50.8%	47.4%	47%	44.2%	52.1%
community	Community public good	2	2	2	2	2
government	infrastructure	0.75	15	./	/	/
	Culture protection	/	/	0.3	0.3	0.3

(Source: Wu et al., 2014)

**A CASE of Tourism Development in intermediate Stage (1):****Tab 3: Daizu Garden Developer Gross Revenue**

year	gross revenue	Wage for community		Tax for government		Shareholder dividend		Land rent	
		sum	ratio	sum	ratio	sum	ratio	sum	ratio
2007	2133.86	286.5	13.4%	69.59	3.5%	448.11	20.1%	51.2	2.4
2008	2248.78	295	13.1%	73.34	2.7%	447.5	19.9%	51.2	2.3
2009	2552.4	300.5	11.8%	83.25	3.3%	485	19%	55.8	2.2
2010	2977.4	306.1	10.3%	97.13	3.2%	580.6	19.2%	55.8	1.9
2011	3327.4	376.8	11.3%	112	3.4%	665.4	20%	55.8	1.7

Unit: 10,000 RMB

There is 10 % every five year for the land rent for the community land.

(Source: Wu et al., 2014)





A CASE of Tourism Development in intermediate Stage (2):

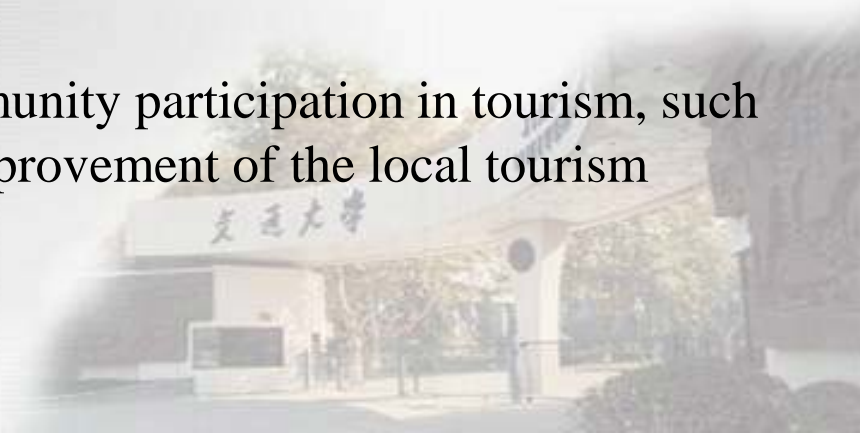
Tab 4: Payment for the local community from External Developer, Unit:10,000

Item / year	2007	2008	2009	2010	2011
Payment for the village temple	9.5	9.5	9.5	9.5	9.5
Payment for the pile dwelling residence	2	16	18.5	31	34.5
Pension for the elder over 60	5.9	7.1	15.2	24.2	30.9
Festival subsidies for villagers	6.9	7.3	7.6	8	9.2
Education subsidy	1.2	1.5	2.4	2.1	1.8
Training program	7	10.6	5.2	5.7	6.9
Village afforestation	2.6	1.1	1.5	0.6	0.4
Other compensation	12.2	13.4	9.8	11.2	10.8
Sum above	47.3	66.5	69.7	92.3	104
Ratio of gross revenue	2.22%	3.0%	2.73%	3.1%	3.13%
Operation cost	401.2	454.7	478.9	522.9	584.8

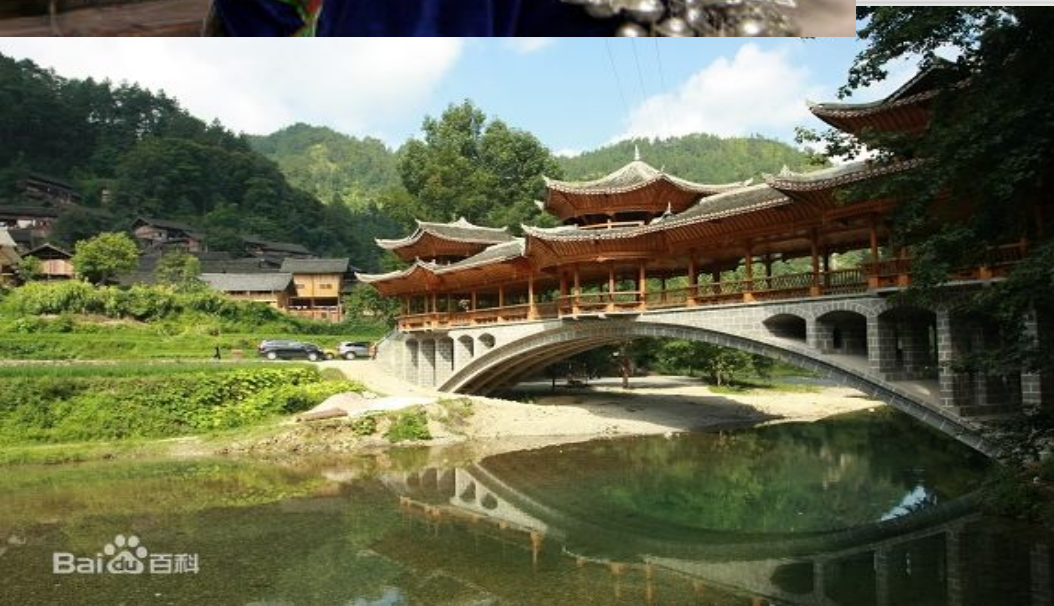


Zhongba Canyon, Shiquan County in Ankang

- External tourism developer from nearby urban areas with large investment in tourist facilities, etc. with limited local employment;
- Lot of support and favorable policies from the local governments.
 - a) Favorable land expropriation;
 - b) Favorable tax, such as exempt from corporate income tax within 3-5 years, or reduced corporate income tax, education surcharge, etc.
 - c) Government investment in tourism infrastructure from the funding of National poverty alleviation project, World Bank, etc.
 - d) Government special tourism funding for market promotion, etc.
- Concessions of the tourist attraction operation to the developers at very low price for a longer term of 70 years.
- Government support for the local community participation in tourism, such as training program, reward system, improvement of the local tourism association, etc.



贵州朗德苗寨





Tab.5 Change of Income Structure in Langde Miao Ethnic Village

Year	Proportion of tourism income in community's total Income	Proportion of tourism income per capita in net income per capita
1986	5.2	3.2
1989	6.6	4.5
1992	15.9	6.9
1995	19.5	12.0
1998	18.3	11.4
2001	15.2	9.4
2004	39.2	24.4
2007	56.5	48.9

Source: Chen et al, 2013



Establishment of Benefit Sharing Mechanism in Langde Miao Ethnic Village

- Collective reception and performance is the most important tourism business in the Langde Miao Minority Village.
- All villagers have opportunities to take part in the show and get the tourism benefits. To encourage the villagers participating in business actively, the community developed a set of participation and benefit sharing system according to feedbacks from villagers, local administration branch of tourism and culture --- "work load system" .
- (1) Benefits are distributed according to everyone's work.
- (2) Different points are valued according to the position, role and dress in show.
- (3) Work points are estimated and benefits are shared at the end of month.
- (4) 25% of the performance revenue is collected to set up the community tourism development fund to cover the collective expenditure such as infrastructure, purchase of musical instruments, etc.



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Yubeng Village in Yunnan Province





Background:

Yubeng Village is located in the deep remote Meili Snow Mountain of World Natural Relic Site. There are altogether 34 households, 168 persons.

Model of Household involvement in the tourism business in turn and equal benefit sharing:

The model is implemented mainly in family hostels and horse services for tourists. (1) The households prepare the production assets such as family hostels, or horses for the transportation of tourists and goods.

(2) The accommodation for tourists should be distributed among all the households in the village in turn. And the revenue will be redistributed among the households on duty and the households who are not on duty. The community leaders will get some small benefits as moderators.

(3) The horse service provided by the households should be confirmed by the community leader in charge, they cannot make decisions by themselves.



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Potatso National Park in Shangri-La County, Diqing, Yunnan Province, China(1)





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Potatso National Park in Shangri-La County, Diqing, Yunnan Province, China(2)





Tab.6 General Information of Communities in POTATSO National Park

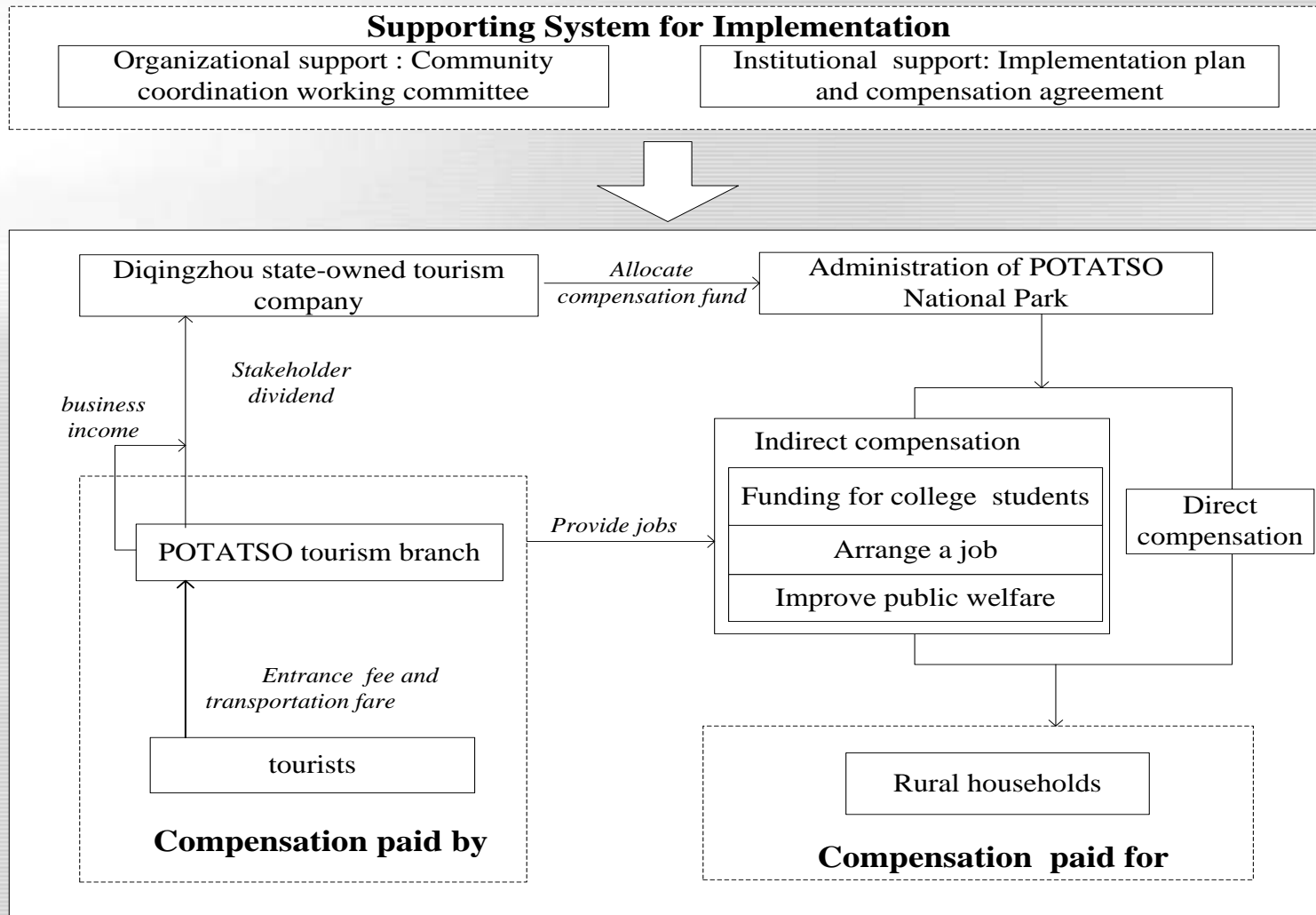
Classifications Of Community	Villages	Location relevant to POTATSO	Population and Nationality
No.1 area	4 villagers groups in Hongpo of Jiantang township, Shangri-la county:	The nearest to the national park in all of the community. One is the only village inside of the national park. The other three villages are located just outside of national park.	108 households, 537 people; Tibetan
	5 villagers groups, in Hongpo village	On both sides of the west main road to the national park ; A little further than No.1 Area.	196 households, 1046 people; Tibetan
No.2 area	11 villagers groups, in Jiulong village	Located in the south of national park; close to the south entrance; Far from the main entrance and areas for tourist activities	335 households, 1173 people; Tibetan
	3 villagers groups in Niro village	The farthest to national park; It will belong to the new planning zone, according to General Planning of Shangri-la's POTATSO National Park in Diqing Tibetan Autonomous Prefecture (2010-2020)	119 households, 650 people; Tibetan



	No.1 area	No.2 area	No.3 area
Direct Compensation	Basic compensation: 5000 yuan/year(per household) + 2000 yuan/year(per capita).	Basic compensation : 500 yuan/year(per household) + 500 yuan/year(per capita).	Basic compensation : 300 yuan/year (per household) + 300 yuan/year(per capita).
	Compensation for the cancellation of local services ① 2006.6-2008.6, Compensate 1.575 Million year for 4 village groups because of the cancellation of the local horse services; ② 2008.6-2013.6. give the Luorong village compensation funds, 100 Thousand yuan/year and it was divided equally among the households, for cancelling services such as barbecue, clothes renting and taking pictures with animals to avoid fire and standardize the management.	Funds for environment protection: According to different protection loss, 0.2 million for every villager group. The fund is equally distribution among the households.	Funds for environment protection : 50,000 yuan a year for every three village groups. And it is equally distributed among the households.
	Land expropriation compensation: For 40 mu land expropriation, 255,000 yuan every year to every three villages of Xialang, etc, during 2008-2013. And the money is divide by the number of households in the village.		
	Offering employment for the community: 6 villagers arranged as park staff; all families take turns to participate in park sanitation work. Every household will have a job opportunity every two year, 40 yuan/day for one year.	Offering employment: Altogether 11 villagers were employed as the park staff, such as driver and forest protector.	Arrange employment: 5 villagers were employed as the park staff,such as driver, the tour guide.
Indirect Compensation	Education subsidy: Subsidy varies among high school, undergraduate students, 2000-5000 yuan/every student/per year.		
	Infrastructure construction: 2009-2011,support 3 Million yuan for construction of folk culture park in Luorong village, etc.		
	Franchising business: Franchising the right to operate public toilets, grill room, hostel etc. for the community with land expropriation as a compensation.		
	Other temporary job: offer temporary jobs when necessary, 40 yuan/person/day.		



Fig 3: Eco-Compensation Mechanism for Local Community in POTATSO National Park in Yunnan Province





Tab. 8 Comparisons of Community-dominated and
developer-dominated tourism development

Community's participation	Community-dominated	Developer-dominated
Cases	Yubeng community, Langde Miao Ethnic Village	Jiuzhai Gou, Daizu Minority Garden, Zhongba Canyon, etc.
Economic participation	Self employed or small business such as running hostels or inns, horse services, etc. Almost no external funding from developers.	Land rent, land expropriation; Small business; employment ; Eco-compensation from the developers.
Tourism decision-making and management	Community-based natural resource management through “community parents meeting”	Community has no real decision rights And limited involvement in planning.
Benefit sharing	Equal benefit sharing by the in turn system and income redistribution	Community is dependent upon the tourism developer.
Advantages	Equal income distribution, community cohesiveness, local control,	Larger scale development and operation,
Disadvantages	Financial constraints, local technology and information constraints, etc.	Better local infrastructure, public services, etc.



3. Some common problems and challenges for community participation and benefit sharing in ecotourism

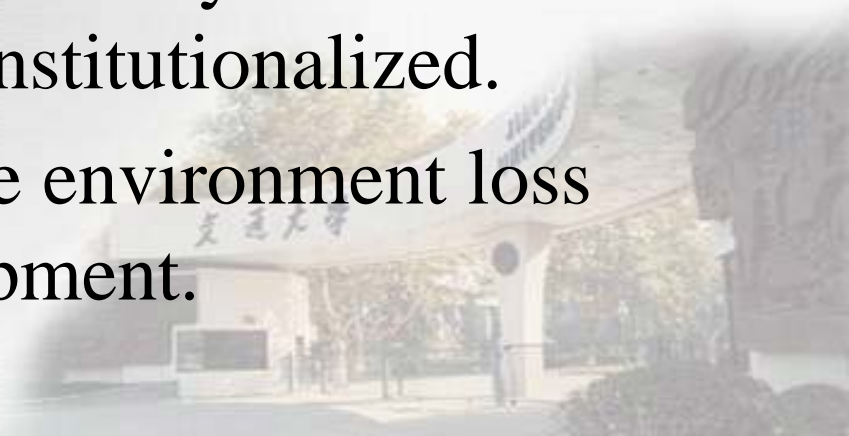




- The price for **community land expropriation or land rent** is too low at most cases, which cannot cover the households' opportunity costs, because of the poor negotiating power of the local communities, or the unreasonable land concession system in rural China, etc.;
- **Unequal or unjust participation** in ecotourism because of different households' human, social, financial capitals etc. within the community. The phenomenon of rich employing the poor appears within the community.
- Balancing the developers, government and local communities, their roles and functions, etc;



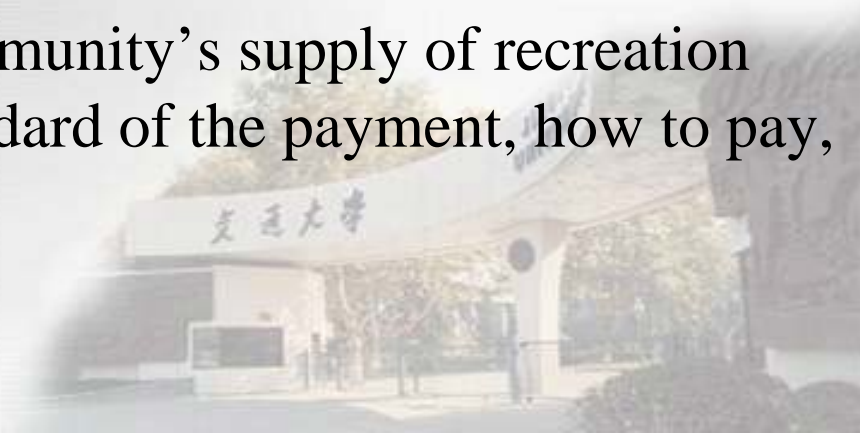
- Developers or government don't pay enough attention to the training program for the locals;
- Improving the community participation in planning, decision making;
- Limited inputs or investments in the community public services such as education, health, water, etc.
- The tourism eco-compensation system is informal, unstable or not institutionalized.
- No payment system for the environment loss during the tourism development.





4. Future development in community participation in ecotourism and research issues

- Set up a scientific and reasonable system for community land expropriation or land rent for tourism use;
- New organizational or institutional forms for community participation through property rights, such as the establishment of the joint share system and the joint stock cooperative system. So community can get dividends from the tourism business.
- Payment for the environmental loss during tourism development;
- Explore how to establish and formalize the tourism eco-compensation system for the community's supply of recreation and aesthetic benefits; so the standard of the payment, how to pay, etc.
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THANK YOU

