

ECONOMIC AND SOCIO-CULTURAL IMPACTS OF TOURISM  
DEVELOPMENT IN FENGHUANG COUNTY, CHINA

By

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A dissertation submitted in partial fulfillment of  
the requirements for the degree of

DOCTOR OF PHILOSOPHY

WASHINGTON STATE UNIVERSITY  
Department of Anthropology

AUGUST 2008

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To the Faculty of Washington State University

The members of the Committee appointed to examine the dissertation/thesis of  
XIANGHONG FENG find it satisfactory and recommend that it be accepted.

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Chair

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## ACKNOWLEDGEMENT

I owe much gratitude to the local people in Fenghuang County. They shared with me their lives and experiences, which not only provided research material, but also enriched me as a person rather than a researcher. I acknowledge with warm thanks the valuable support of the official Mr. Yugang Shi at the State Ethnic Affairs Committee of China, the field assistance provided by the official Mr. Jun Shi at the People's Government of Xiangxi Hmong-Tujia Ethnic Groups Autonomous Prefecture, the official Ms. Rufen Tian at the People's Government of Fenghuang County, and my college friend Ms. Jinqun Shi, a sociologist scholar at the Chinese Academy of Social Science (CASS) in Beijing. Jinqun's family in Tuo River Town let me stay with them during my three visits, and treated me as their daughter. My dissertation research was partly funded by the Thomas S. Foley Institute for Public Policy and Public Service through its Summer Doctoral Fellowship, and the Department of Anthropology at Washington State University through its International Research Award.

My gratitude is also to the faculty and graduate students at Department of Anthropology, Washington State University, for their greatest support to me as an international student far away from my home country China. I am indebted to my doctoral committee chair Dr. John H. Bodley, for his great inspiration and encouragement, as well as his endless patience and support to me. Dr. Bodley has been guiding my way since I first came to join this doctoral program from China in Fall 2003, without whom I could have never come this far. I want to thank my other doctoral committee member Dr. Nancy Mckee, Dr. William Andrefsky, Dr. John Young, Dr. Linda Stone (former), and Dr. Hua Han (former), as well as other faculty Dr. Bill Lipe, Dr. Steve Burkett, Dr. Jeannette Mageo, and Dr. Jeff Sellen at Washington State University. I also want to thank Misty

Luminais, Ming-Kuo Wu, Kerensa Alison, Christa Herrygers, Ben Columbi, Maia Clay, Kim-Trieu Nguyen, and Troy Wilson, whom I feel lucky to have as friends and classmates. Special thanks to Mark Hill, not only for his assistance with the map illustrations and his comments on my every single draft, but also for his moral support to help me through the hardest time.

Additional thanks to the editors, especially Dr. David C. Griffith at *Human Organization*, Dr. Ann Kingsolver at *Anthropology of Work Review*, and Dr. Roderick Sprague at *Journal of Northwest Anthropology*, and the associated anonymous reviewers. Their thoughtful insights and specific suggestions on my three articles (included in this dissertation after some expansion as Chapter 3, 4, and 5), greatly helped me improve them, and I am very appreciative of the opportunities of publishing them as the journal articles (Feng 2008; 2007a; 2007b). I also appreciate the individuals associated with the Society for Applied Anthropology such as its Executive Director Dr. Tom May and the anonymous reviewers for its 2005 Peter K. New Prize, and the individuals associated with the 60th Northwest Anthropological Conference and the anonymous reviewers for its Graduate Student Paper Competition. These two awards had been great encouragement for me to believe in and continue on my dissertation research.

My final thanks are to my family and friends in China. Without their moral support, the numerous days and nights alone in U.S. during the past five years would have been much harder for me. The five-year life as a doctoral student at WSU is a treasure for me, which is not only invaluable because of the academic training, but also invaluable because of these life experiences in America for me as a cultural anthropologist. The five-year life is full of tears and laughs, sadness and joys, doubts and hopes, confusions and excitements. It had seemed to be endlessly long; while looking back, it feels as fast as a blink. Now, this five-year life is about to come to an end, I already start to miss it, but I am more looking forward to a new chapter in my life.

ECONOMIC AND SOCIO-CULTURAL IMPACTS OF TOURISM  
DEVELOPMENT IN FENGHUANG COUNTY, CHINA

Abstract

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August 2008

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The Chinese government is making tourism an important rural development strategy. Local governments and outside developers jointly manage and develop natural and cultural resources to increase tourism revenues. The government sells development and management rights to large for-profit corporations. This paper examines one such project in Fenghuang County, Hunan Province, where Yellow Dragon Cave Corporation (YDCC) and the local government of Fenghuang County are jointly promoting tourism. Pleasant climate, stunning views, “colorful” ethnic minority cultures, and the newly discovered and partially restored Ming Dynasty “Southern China Great Wall” are the primary tourist attractions in Fenghuang County. This project impacts 374,000 people, made up of 29 national minorities and representing 74 percent of the local population. Some researchers argue that this public-private partnership successfully produces profits for developers and creates economic growth. The present research uses a power and scale perspective to identify the preliminary economic and socio-cultural impacts of this capital-intensive development model on local communities. Open-ended interviews with residents, government officials, and business representatives are combined with demographic and economic statistics to identify the decision-makers, document the distribution of social power, and identify the flow of costs and benefits through the tourism system.

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## **Dedication**

This dissertation is dedicated to my grandparents  
who raised me up till my school age.  
They not only provided me a happy childhood,  
but also educated me in their own way.

# CHAPTER ONE

## INTRODUCTION

### Research Problem and Its Theoretical Foundation

In spite of rapid economic growth, regional disparities between China's rural/interior/minority and urban/coastal/Han areas are increasing, along with social inequality and environmental degradation. Since China's adoption of a "free market" economy in 1978, the gap between the "haves" and the "have nots" has increased dramatically. In the early 1980s, the richest 10 % of the population earned less than 20% of the national income. By 2005, the top 10% earned 45% of the income, while the bottom 10 % earned only 1.4 %. Even though China's recent economic growth rate has been among the world's highest, with GDP growth averaging about 9.5% per year, 42% of rural households in China experienced an absolute decline in income from 2000 to 2002. The post-1980 gap between the average incomes of urban and rural residents has risen to about 3.3 to 1. This is a higher gap than that in the United States and is one of the highest in the world. Between 1980 and 2005, the Gini ratio, the measure of inequality used by the United Nations, rose from less than 0.2, considered quite egalitarian, to higher than 0.45, signifying serious polarization and increasing social unrest (Wen 2006; Kahn 2006; Khan and Riskin 2001; Wen and Tisdell 2001). The transformation of China's development model from labor-intensive to fossil fuel and capital-intensive has accelerated its growth, but it also makes its Ecological Footprint more than 50% larger than its biocapacity (World Wildlife Fund 2006). China's environmental problems are now among the most severe in the world, and its environmental sustainability is ranked 133rd out of 146 countries (Smil 2004, 2005; Esty, et al. 2005). China in the post-Deng era occupies a unique position in the global economy. The scale of China gives it a huge impact abroad both economically and ecologically, as a source of cheap labor and as a site of potentially massive consumption.

a. The Research Problem

Recent signs of adjustments in China's mainstream development discourse are apparent in the transition of official slogans from "economic growth is the center," to "scientific development," "people-centered development," and "building a harmonious society." Yet, so far the adjustments have not touched the essence of current policies. Should China continue on the path of market-oriented reform? Can a higher material living standard be achieved for China's masses? Will the Western economic model work for the world or is it time to reexamine it and think about alternatives? These are some of the questions that Chinese leaders, Chinese people, and people throughout the world are now discussing (The Worldwatch Institute 2006; Wen 2006; Brown 2005a, 2005b; Diamond 2005; Anielski 2005; Liu and Diamond 2005; Sachs 2005; Myers and Kent 2004; Vuuren, et al. 2003; Muldavin 2000).

But most of these efforts remain at the descriptive level, rather than exploring the dynamics behind China's spectacular economic growth and increasingly wider regional disparities, and therefore explaining why the Chinese government's current policies addressing the disparity issue have been failing. This project uses an ethnographic case study of tourism development in Hunan Province to help understand why the Chinese government's current program of capital-intensive growth as a means of narrowing the regional disparities might be failing. It looks at how China's current capital-intensive development affects quality of life as measured ethnographically, and gives a more complete picture of the experience of China's rural residents during this period of rapid social and economic change, than that shown by official national-level figures on China's GDP, exports, and investments. The following specific questions are addressed: What are the benefits and costs of this particular type of development and how are they distributed? Does capital-intensive development actually increase social unrest and amplify

environmental problems? How do local people perceive this development and how might local outcomes be improved? It explores more socioecologically sustainable alternatives by taking into account local narratives ignored by the current development model dominated by the official state discourse.

#### b. The Theoretical Foundation

To help explore the research problem and answer the research questions, this research tests the utility of core/periphery models and anthropological power and scale theory, which suggest that in the absence of counter measures, growth in the scale of local and regional income, revenues, and wealth will “naturally” tend to concentrate benefits and disperse costs, thereby unintentionally making economic development increasingly uneven. It can be argued that the major issues of global sustainability, such as poverty, environmental destruction, resource depletion, and social conflict, are all related to unequal exchange and capital accumulation, which can be understood more completely by integrating complementary perspectives from anthropology and ecology, because the unequal exchange of natural resources and energy are problems at the very interface of the two. This research draws on the work of anthropologists Hornborg and Bodley, both of whom explicitly combine cultural anthropological and ecological perspectives to illuminate contemporary problems.

Hornborg builds on prior work that identified linkages between ecosystems and the world-system (Odum 1971; Adams 1975; Wallerstein 1999); he emphasizes, along with Wallerstein and other scholars (Goldfrank, et al. 1999), that earlier Marxist anthropologists and world-system and dependency theorists (Frank 1966; Wallerstein 1974; Wolf 1982) ignored the ecological implications of thermodynamics, just as ecological economists initially disregarded the human



effects of imperialism, and suggests that what is needed is an “ecologized” version of the world-system approach, recognizing that the global market economy operating on fossil fuels is a zero-sum game rather than an endless cornucopia. By advocating an ecologically aware world-system approach, he supplements the labor-oriented Marxist concept of exploitation with an awareness of the importance of energy and natural resources (Hornborg 1992, 2001). From this perspective, it is an unequal exchange that local governments in rural China lease their resources to attract large outside metropolitan corporations to invest in the local tourism industry, without taking into account the value of natural and social services.

By only drawing on the simplistic dichotomies of core and periphery economies, it is difficult to picture what people are experiencing (Nash 1994). To overcome this deficiency, this research applies Bodley’s (2003,2005) power and scale theory, which argues that human problems such as chronic poverty, war, and environmental degradation in the contemporary world may be caused by a collective social failure to restrain the natural individual drive to increase personal social power at the expense of others. Bodley builds his power and scale theory on the integration of power law equations (Pareto 1908; Zipf 1949) with social and cultural evolutionary complexity theories (White 1959; Johnson and Earle 2000). Bodley applied scale approaches to individual property ownership in Spokane and Whitman counties, Washington (Bodley 1999), to businesses and personal income throughout Washington State (Bodley 2001), and more broadly, to cultural evolution worldwide (Bodley 2003, 2005). Through cross-national historical analysis of commercial societies, he uses simple mathematical power laws and log graphs to demonstrate that societal growth is likely to disproportionately concentrate social power as scale increases, following common definitions of social power (Adam 1975; Mann 1986; Wolf 1999), unless there are intentional social rules to counteract such

scale effects. Concentrated individual power is one of the most important scale effects, because it gives elites a powerful incentive to promote growth, even as it diffuses costs to society at large.

From the perspective of an “ecologized” version of core/periphery model, China’s increasingly widening regional disparities may be explained by the imperative for the continuous capital-intensive expansion of markets, and the exploitation of resources and energy from the peripheral areas. The core/periphery dimension of the world-system approach has been used to discuss regional inequalities within both core and peripheral countries, assuming that capital accumulates in the core, and the periphery becomes impoverished. This unequal distribution within a country was called “internal colonialism” (Gonzalez-Casanova 1969; Hechter 1975; Bornschier and Chase-Dunn 1985). Tourism’s colonizing power is structured through exploitation and integration, by introducing new exchange relations that render local economies increasingly dependent on external markets (Nash 1989). The political and economic integration of peripheral regions in the process of tourism development throughout Asian countries has been documented by a number of observers (Stevens 1991; Zurick 1992, 1995; Michaud 1993). In China, throughout history, central economic planners have often seen the peripheral areas as sources of raw materials and markets for finished industrial goods. Development in the cores (the urban, coastal and Han areas) and underdevelopment in the peripheries (the rural, inland, and minority areas) are products of China’s single, but dialectically contradictory, economic structure and modernization process (Harrell 2001, 1995). The concept of “Internal colonialism” had been used by Oakes (1998) to examine the cultural impacts of rural China’s tourism development, through the case of Guizhou, viewed as a development project in the process of construction of local identities. He argued that ethnic tourism in Guizhou could be a discourse appropriated by locals rather than just a state-dominated process of national integration. He,

along with other scholars, focused their research on China's ethnic rural tourism on gender, space, and identity, etc (Oakes 1998, 2006; Schein 2006; Swain 2002), but barely discussed the actual socioeconomic impacts on the marginalized local people during this integration.

The present research uses an ethnographic case study in Hunan Province to examine the effects that the operations of large corporations from the cores are having on the peripheries where they do business. It predicts that penetration of peripheral economies by large companies based in the more powerful core areas may distort economic growth, disproportionately benefit outsiders, and leave socio-ecological costs behind to local people. Tourism in rural Hunan, such as Fenghuang County, may be a form of "internal colonialism," in which underpriced natural resources and underpaid natural/social services from the peripheral areas contribute to China's spectacular economic growth, but increase social unrest and environmental degradation. It is an empirically testable question, but China's tourism has not yet been examined from this perspective. Drawing on the power-elite hypothesis, the present research will apply power and scale theory to evaluate the particular pathway of China's development in the case of Fenghuang County.

### **China's Contemporary Economic Context**

Before the late 1970's, the capitalist market was looked upon as evil in socialist China. A state-owned, special interest-avoiding, planned economy was the single economic form. In 1978, Deng Xiaoping, the second Chairman of the Communist Party of P. R. China, announced his theory "Build Socialism with Chinese Characteristics", which means China should develop socialism according to its own national demography and economics, instead of adopting the former Soviet Union model, or the model developed by Marx without any adjustment. This idea

was based on the assumption that in the preliminary stage of building socialism, the biggest “contradiction” is that the “backward” forces of production fettered the “advanced” social relations of production<sup>1</sup>. The mission for China was to stimulate the forces of production by unleashing the free market in appropriate economic sectors to a limited degree. Policymakers called for the coexistence of the free market and the planned economy. They believed that developing a mixed economy and encouraging foreign investment was necessary for such a large developing country as China, and that the benefits would far outweigh the risks. The role of the state in such a mixed economy has become less that of the vital economic actor than as a guarantor of the social and legal conditions (stability, legitimacy, and accountability) for the free play of market forces.

This change marked the beginning of China’s “Reform and Open-up” policy. Since then, Chinese leaders have sought to shape a workforce and citizenry that fits with this reform policy, for example, low-skilled and technical workers and newly affluent consumers who are attractive to global capital. They have continued to integrate China into the global market system, joining the World Trade Organization (WTO) in 2001. Since the beginning of the “Reform and Open-up” policy, GDP has grown about 9.5 percent per year on average, making China the world’s fastest-growing economy. However, as a consequence, the disparity in economic development between rural and urban areas and between western and eastern areas has emerged as an urgent problem.

In distinct contrast to the emphasis of regional development policy since 1978 that had favored its eastern and southern parts, China launched in 1999 the campaign to “Open Up the West”<sup>2</sup> as a major state project of nation-building directed at the interior and western provincial-level jurisdictions in order to encourage endogenous economic growth, to reduce socioeconomic

inequalities, and to ensure social and political stability in non-Han areas of China (Goodman 2004). The campaign “forms part of a dynamic that is extending capitalist development from China’s seaboard to the interior” (McNally 2004: 115). As Oakes noted, “The novel contribution of the campaign to Open Up the West has been a highly publicized state commitment to correcting the growing imbalances between eastern and western China” (2004: 158). The “West” is not necessarily west in a geographic sense (even though most of the regions are), but is characterized by economic underdevelopment, large numbers of minority nationalities, and a lack of economic infrastructure, as well as its location in the far interior of the land mass. China’s campaign to “Open up the West” provides the western regions with special financial support to stimulate economic growth. The western regions included on the development list consist of 11 provinces and autonomous regions, and a municipality, which together occupy a total area of 6.85 million km<sup>2</sup> and have a population of 364 million. Their average per capita GDP was only about 40% of per capita GDP in the more developed eastern coastal regions.

Over the past thirty years, the development of a market economy and growing international openness generated rising income inequalities in China. In particular, the developmental gaps between the eastern seaboard and interior western provinces have become politically prominent. However, inequalities within provinces are considerable as well. Inside Hunan Province the large developmental gaps that exist between urban and rural regions and between east and west regions mirror the regional inequalities in China as a whole. Since Hunan’s internal regional disparities mirror China’s east-west (urban-rural and the Han-the minorities) gap quite closely, the province can serve as a fruitful setting to address the research problem.

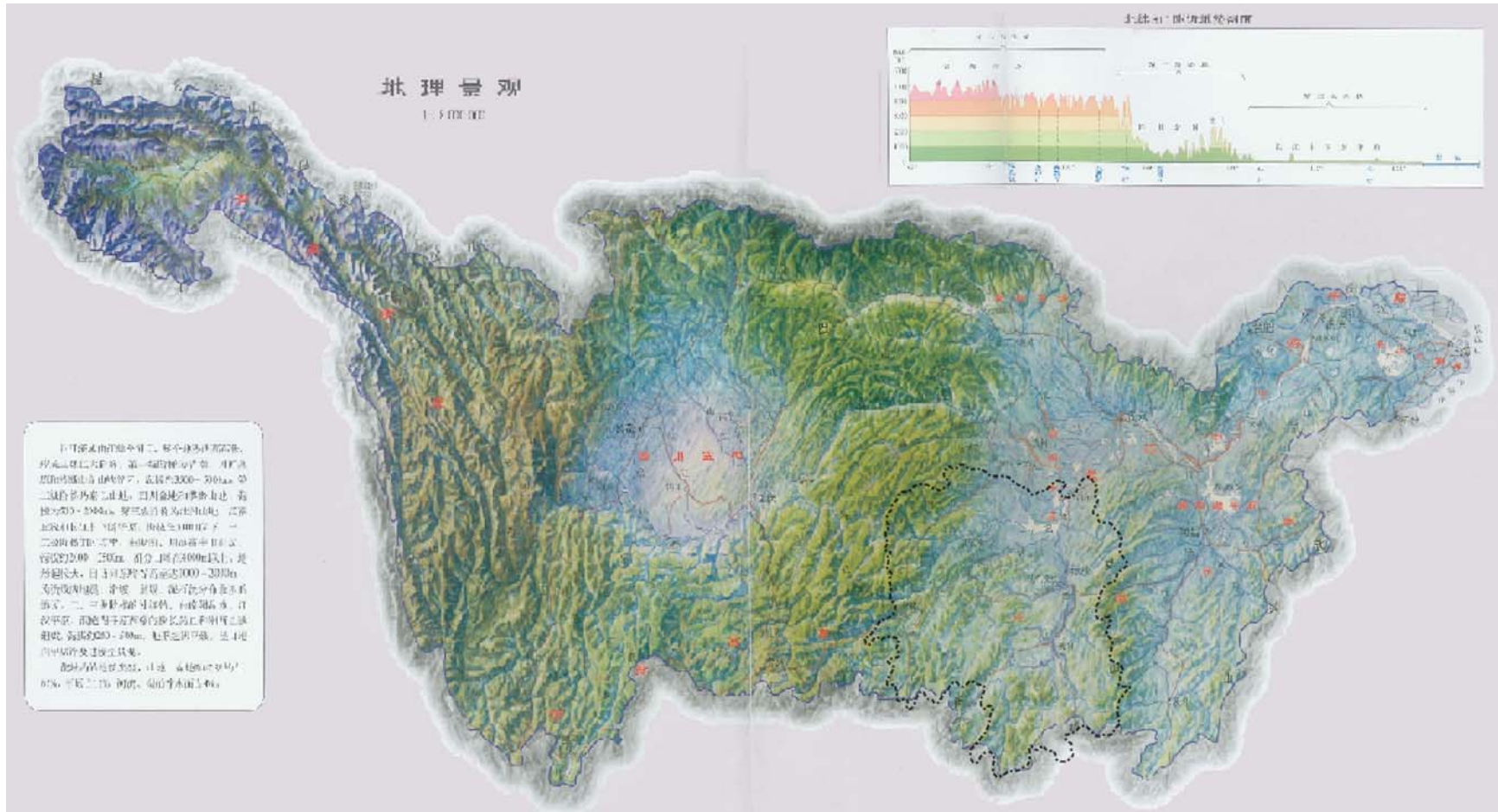
## **Tourism Development in Hunan**

### a. The Outlook of Hunan Province

Hunan is situated south of the Yangtze River, bordering Hubei to the north, Guangdong and Guangxi to the south, Jiangxi to the east, and Sichuan and Guizhou to the west. With a tropical climate, it has a territory of 210,000 km<sup>2</sup>, of which 62% is mountains and plateaus. Hunan's topography declines from south to north and is characterized by mountainous and hilly country (Bhalla 1984). Geographically, Hunan province is split into distinct regions: mountains in the east, the south, and the west; Dongting Lake Plain in the north, which is one of the major grain producers in China, and is commonly known as the "region of fish and rice"; and hills and basin in the middle (Figure 1.1).

Hunan's physical features thus express to a considerable extent the province's economic and social disparities. The north and middle regions of Hunan are rich in natural resources, with fertile farmland, and with ponds, lakes and other groundwater suitable for fish breeding. In contrast with the rich area, the province's large west expanse is covered with rugged mountains, and animal husbandry and forest resources form the natural economic base of these areas, most of which are geographically isolated, populated by ethnic minorities, and characterized by poverty. These conditions are exemplified by Hunan's only autonomous prefecture—the Xiangxi Hmong-Tujia<sup>3</sup> Ethnic Groups Autonomous Prefecture (abbreviated as "Xiangxi Autonomous Prefecture"), where Fenghuang County is situated. Xiangxi Autonomous Prefecture's capital is Jishou City, northeast of Fenghuang County. Mount Wuling and Mount Xuefeng lie in this prefecture, and became the major natural transportation barriers between the east and west of Hunan.

Figure 1.1: Geography of Yangtze Watersheds with the location of Hunan Province.



Source: Adapted from the website of Changjiang (Yangtze) Water Resources Commission,

<http://www.cjw.com.cn/eng/detail/20050804/38677.asp?column=Maps>

The data presented at Table 1.1 shows Hunan's economic position at the national level, Xiangxi Autonomous Prefecture's economic position at the provincial level, and Fenghuang's economic position at the prefectural level, as well as the economic disparity between Changsha City (the provincial capital in the east of Hunan) and Fenghuang County (in the west of Hunan). Changsha's per capita GDP was not only more than double of Hunan's overall per capita GDP, but also even much higher than the national overall GDP. The disparity is especially striking, considering Hunan is one of the poorest provinces in China. Fenghuang's per capita GDP was just 18% of Changsha's.

b. YDCC Monopolization of Tourism Resources in Hunan

Given a significant degree of economic liberalization since 1992 following Deng Xiaoping's well-known southern tour, the Chinese government is making tourism an important rural development strategy as part of their effort to finally cast off the west regions' "backward" status as a drag on nation. China is a multi-ethnic country, with rich ethnic cultures and heritages of 56 ethnic groups. Most of the rural regions of the West are China's minority areas. In the early 1990s, local governments in the western regions began to enthusiastically embrace tourism, as a means of capital accumulation ideally suited to the existing conditions of economic poverty combined with cultural and natural wealth. Tourism seems doubly appropriate: tourists who come to see fantastic scenery can experience exotic native peoples as an added bonus. For the local governments, tourism is becoming one of the local "pillar industries," attracting tourists and investors from the wealthier regions of China, and even internationally (Oakes 1998).



Table 1.1: The economic position of Fenghuang County in Hunan Province and the nation, 2000

	<b>GDP</b> (Billion Yuan)	<b>Per Capita GDP</b> (Yuan)	<b>Government Revenue</b> (Billion Yuan)	<b>Government Expenditure</b> (Billion Yuan)
<b>China</b>	8,940.3	7,066	1,637.1	7,440.0
<b>Hunan Province</b>	369.2	5,626	17.7	34.8
<b>Changsha City</b> (Capital of Hunan)	65.6	11,262	3.4	4.1
<b>The Xiangxi Autonomous Prefecture</b>	6.6	2,534	0.27	1.2
<b>Jishou City</b> (Capital of the Prefecture)	1.7	6,432	0.067	0.14
<b>Fenghuang County</b>	0.8	2,079	0.015	0.15

Source: CACP and PGFC 2005: 5

Tourism seems like a promising opportunity for the peripheries (western interior, rural, minority areas) in China, but the particular way it is being implemented in Hunan since 1998 is problematic. In this approach, the local governments and outside developers jointly manage and develop natural and cultural resources to increase tourism revenues. The most prominent features of the tourism development policies are: 1). The separation of ownership and management rights, and 2). The separation of local residents from the tourist attractions.

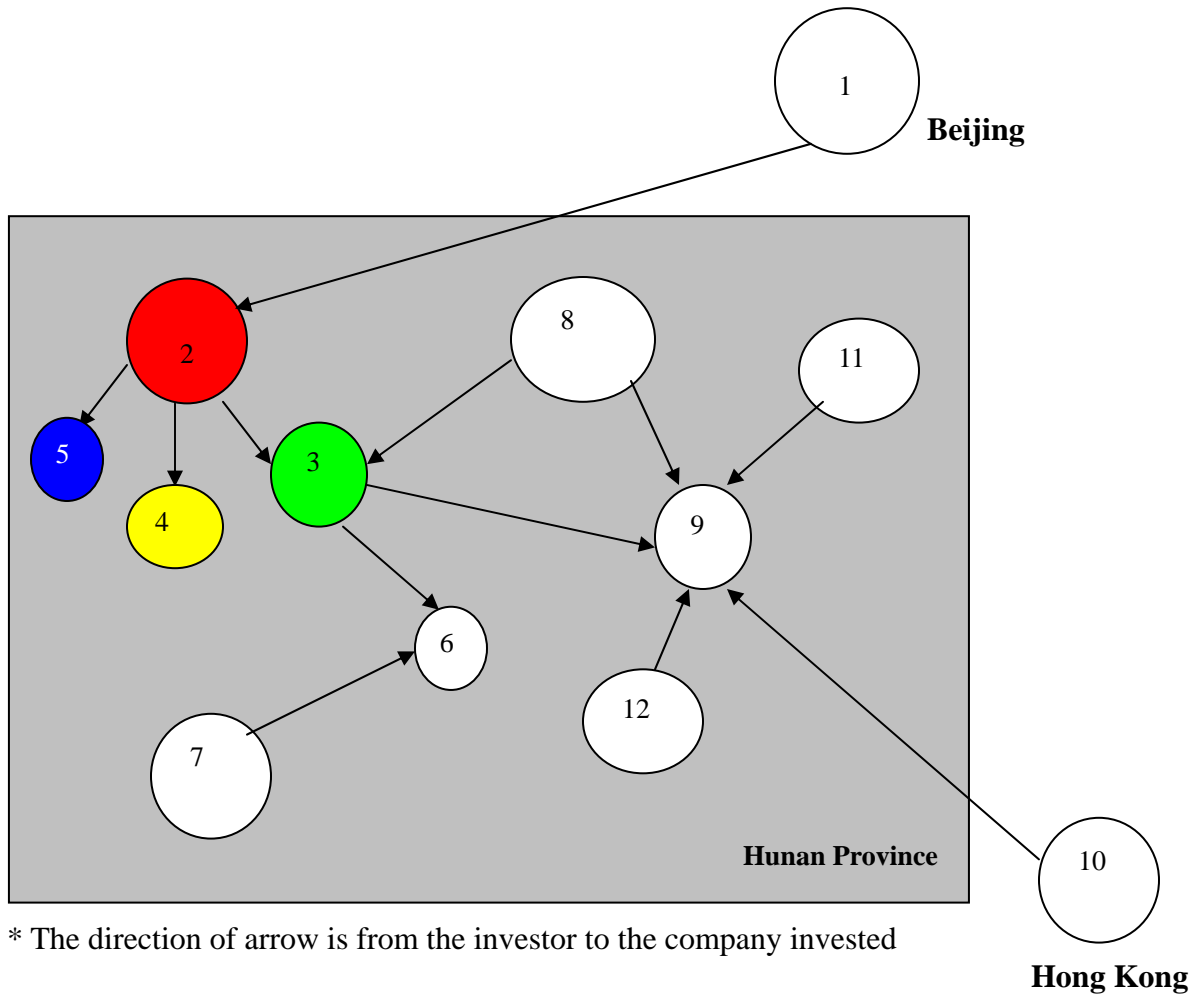
In January 1998, Datong Industrial Corporation of China (DICC)<sup>4</sup> in Beijing took over the Yellow Dragon Cave tourism conservation area in the Wu Ling Yuan Area of Hunan Province, which the United Nations Educational, Scientific and Cultural Organization (UNESCO) has designated a “World Natural Heritage” site.<sup>5</sup> Yellow Dragon Cave Joint-stock Corporation (YDCC) was established by DICC, with capital investment from nineteen corporations. Since then, YDCC has increasingly monopolized natural and cultural resources in Hunan Province, including Yellow Dragon Cave in Wu Ling Yuan Area which it leased in 1998 for 45 years, Mountain Jia National Park and Mountain Huping in Shimeng County for 50 years since 2002, and Mountain Lang in Shaoyang area in 2003 for 48 years (Table 1.2). After buying the management rights to the natural and cultural resources in different areas within Hunan Province, YDCC established several different local tourism companies. Besides the tourism business, two of these companies are jointly investing in supermarket or cultural businesses with other corporations or cultural organizations in Hunan Province and Hong Kong. This business network is illustrated in Figure 1.2. Enterprises 2, 3, 4, 5 designated in the network diagram are all tourism companies, and they have monopolized the important natural and cultural resources in Hunan Province. After buying the management right to all these resources, YDCC was short of capital. Therefore it said that YDCC invited overseas international capital to jointly invest.

Table 1.2: Public resources monopolized by Yellow Dragon Cave Joint-stock Corporation by 2005

	<b>Years of Lease</b>	<b>Public Resources</b>	<b>Tourism Company</b>
<b>1998</b>	45	Yellow Dragon Cave in Wu Ling Yuan Area, Hunan Province	Yellow Dragon Cave Joint-stock Corporation (YDCC)
<b>2002</b>	50	Eight natural and cultural tourism spots in Fenghuang County, Hunan Province	Phoenix Ancient Town Tourism Co. Ltd (PATT)
<b>2002</b>	50	Mount. Jia National Park in Shimeng County, Hunan Province	Mount. Jia Tourism Co. Ltd
<b>2003</b>	50	Mount. Huping in Shimeng County, Hunan Province	
<b>2003</b>	48	Mount. Lang Tourism Area in Shaoyang Area, Hunan Province	Mount. Lang Tourism Co. Ltd

Source: the website of Yellow Dragon Cave Corporation: <http://www.hntravel.cn>

Figure 1.2: Financial Network of Yellow Dragon Cave Corporation (YDCC), 2005



1. Datong Industrial Corporation of China (DICC)
2. Yellow Dragon Cave Joint-stock Corporation (YDCC)
3. Phoenix Ancient Town Tourism Co. Ltd (PATT)
4. Mount. Jia Tourism Company
5. Mount. Lang Tourism Company
6. Fenghuang Art Group of Hunan Province
7. Hunan Opera and Vocality Art Group
8. Hunan Friendship Apollo Joint-stock Corporation
9. Jiarunduo Business Joint-stock Corporation
10. Yanlinzhuang Corporation of Hong Kong
11. Changsha Xihu Real Estate Development Corporation
12. Qimei Investment Corporation of Hunan Province

The infusion of large-scale, capital and energy intensive tourism as a strategy for reducing rural poverty in Hunan Province is a new phenomenon. Some scholars in China question if public resources should be sold as a commodity in this manner (EDRCCASS 1999; Li 2002; Yang 2004). They argue that public picturesque scenery resources such as natural views and cultural heritages should be considered commonwealth and non-profit resources, to be shared by the whole nation. They believe that the government, instead of any profit-oriented company, should manage public resources. During China's transition period from a planned economy to a market economy, however, "commodity fetishism"<sup>6</sup> is growing among local policymakers. Facing rich natural and cultural resources but low economic growth rates, local policymakers in rural China are eager to take advantage of these resources to stimulate economic growth. Economic development often takes priority at the local level and is still the major criterion for judging the performance of government officials. Chinese scholars and politicians are paying close attention to the tourism development model being tested in Fenghuang County.

c. YDCC and Fenghuang County

The local government of Fenghuang had begun trying to develop tourism in the 1990s. Initially, many of the tourists were upper-level government officials and state-owned enterprise employees on group vacations, and the county government officials had to host them and please them at the county government's expenses. For the local government, "wined and dined" tourism receptions became a burden. For instance, in 2001, during the tourism "Golden Week"<sup>7</sup> in May, there were 130,000 tourists, which only increased local tax revenue by \$3,614 US dollars, but cost the local government \$48,193 US dollars in reception costs. Since then, the local policy-makers decided to put tourism resources into the invisible hand of the "free market."

The county government had been actively looking for some experienced outside investors with large capital to invest in Fenghuang tourism development. There were several companies that showed their interest, including Yellow Dragon Cave Corporation (YDCC), which had been “successfully” marketing and promoting the tourist attraction “Yellow Dragon Cave” in the Wu Ling Yuan Area (three-hour drive from Fenghuang) since 1998. After careful consideration and negotiation, the county government picked YDCC.

In late 2001 the local government sold the right to manage the eight major tourist attractions<sup>8</sup> for 50 years for about \$102 million U.S. dollars<sup>9</sup> to Yellow Dragon Cave Corporation (YDCC), headquartered 200 miles away in Changsha City, the capital of Hunan Province. YDCC then set up a subsidiary, The Phoenix Ancient Town Tourism Co. Ltd (PATT), headquartered in Tuo River Town, the capital of Fenghuang County. In order to reduce development pressures on the local environment, and to resolve the contradiction between the weak infrastructure and the rapidly increasing number of tourists, the local government began attracting more outside investment to expand Tuo River Town to the nearby areas and relocate the residents.

In official state discourse, poverty in Fenghuang County, as in China’s other peripheries, remains a problem of incomplete modernization. With its potential for rural development in minority regions, tourism is seen as a catalyst to open the way for other processes that will stimulate Fenghuang’s development, through external investment and commercial integration of the rural economy with external markets. The ambitious local government hired experts from Beijing to design a blueprint for the county’s eighteen-year urbanization plan (CACP and PGFC 2005). In this elite-imposed process, local people are left with little choice but to embrace it.

## **Research Objectives and Methods**

This research employs a modified “greening/ecologized” version of the core/periphery models (Hornborg 2001; Goldfrank et al. 1999; Chew 1997) to explain the uneven development between the peripheries (the rural, interior, minority areas) and cores (the urban, coastal, and Han areas) within China, viewing tourism as a form of internal colonialism (Oakes 1998). In contemporary China’s rural tourism development strategy, local governments and large outside metropolitan corporate developers jointly manage and develop natural and cultural resources to increase tourism revenues overall. Large investments are being made, but paradoxically, the unforeseen scale effects of this public-private partnership may actually cause benefits to be concentrated among a few elites and costs to be dispersed to the local poor. It may exacerbate environmental degradation, and may increase energy dependency, social inequality, and social unrest amplified by pollution, corruption, and land seizures that accompany rapid economic growth.

This research draws on the power-elite hypothesis (Bodley 1999, 2001, 2003) that when growth in the scale of businesses and regional economies is an elite-directed process it concentrates social power and diffuses costs. Responding to the core/periphery model’s relative lack of emphasis on individual, this research applies the specific analytic methods suggested by power and scale theory to demonstrate how this form of elite promoted capital-intensive tourism development affects local people, and how local people perceive it. Power and scale theory calls attention to a suite of crucial variables, including wealth and income as sources of power, the role of individual human decision-makers, and the personal power networks that cross-cut institutional hierarchies, etc. One of the major analytic methods applied to these data includes mapping power networks, and ranking households by their house-building expenditures, and

housing areas by occupations, as suggested by power and scale theory. The rankings can then be tested for fit with the power law distribution. The power law distribution appears as a straight line on a graph with logarithmic scales on both axes, expressed by the power law equation:  $N=Cr^D$ . N and r are the two variables (for example, income level and the number of households); C and D are the constants, and D is negative (typically approximating “-1”). This produces a highly skewed distribution with a negative slope. In this research, it is expected that the relative number of wealthier households will decrease as the number of poorer households progressively increases. Power law distributions are a widespread emergent property of complex systems, and have been discovered in systems in physics, biology, ecology, economics, and human society—from prehistory to contemporary Western and non-Western societies (Pareto 1908; Zipf 1949; Bodley 1999, 2001; Maschner and Bentley 2003; Davies, et al. 2006).

The specific research objectives include the following: 1). Acquire data on earnings and profits in the tourism industry, and model the distribution of the benefits; 2). Identify the stakeholders and personal networks in the local tourism system, and examine local social changes; 3). Identify sociocultural changes perceived by local people and observed by outsiders, from the perspective of local Hmong women and their gendered handicraft. In light of the above, the aim is to compare the official state development discourse with local narratives, and evaluate the actual impacts, including economic benefits distribution and sociocultural costs dispersion as perceived by local people in contrast with the claims made by local political and outside economic elites.

My fieldwork for this specific project was carried out through the summers of 2005 and 2006, but my fieldwork experience in Fenghuang started in the early Spring of 2002, right before the beginning of its capital-intensive tourism development. In 2002, I first visited Fenghuang



County as a master's student in folklore as well as a tourist, attracted by the local Hmong traditional handicraft and its undisturbed scenery. Later, its new tourism development policies caught my attention, and I chose it as my dissertation project.

I am a native of Hunan. My hometown is Shaoyang City, east of Fenghuang County in the central area of Hunan. In order to immerse myself in local life, I stayed with local families in Fenghuang rather than in motels or living by myself in rental places. In the summer of 2005, I accomplished my preliminary dissertation fieldwork. I spent most of the time in Tuo River Town. With the help of Mr. Yugang Shi, the official at the State Ethnic Affairs Committee of China, I obtained great support from the local government. I acquired the official annual county-level and township-level statistical data from 1995 to 2005, and the county's 2000 census data. I interviewed local government officials from different bureaus, such as the statistics bureau, tourism bureau, environment protection bureau, urban planning bureau, business administration bureau, ethnic affairs bureau, etc. I was granted access to the county's eighteen-year urbanization plan (2002-2020) from the local urban planning bureau, and its tourism development plan from the local tourism bureau. I interviewed the CEO of PATT, acquiring its annual reports of earning and profits from 2002 to 2004, and its tourist market survey, conducted in 2004 in cooperation with the Normal University of Hunan Province. I also randomly interviewed tourists, and local residents representing different occupations.

Tuo River Town is the capital of Fenghuang County, where both the county-level government and PATT are located. Five of the eight sites leased to YDCC are located in Tuo River Town, and it is where tourists assemble for lodging, shopping, dining, etc. Archival research and interviews with PATT were used to collect updated data on its profits, investment and reinvestment in the eight tourism sites, its taxes and fees paid to the local government according

to the lease, and its employee structure (local or non-local, the positions, and salary level).

Archival research and interviews with the local government were used to collect socioeconomic statistical data at the county level. Participant observations and interviews with tourists, together with the statistical data from the local tourism bureau and from the tourist market survey available at PATT, provided data to model tourists' expenditures and their distribution.

Participant observations and interviews were conducted with residents through randomly stratified sampling to represent different occupations in Tuo River Town, including small lodging operators, souvenir sellers, ethnic costume renting and photography shops, taxi drivers, tourist guides, etc, along with residents who are not directly involved in the local tourism industry.

These data help determine how benefits are distributed to local people. They showed that the major beneficiaries were associated with the local elites who were rich before tourism's boom and are now even richer. Analysis focused on the flow of benefits and costs through the tourism system, tracking what stays in the local area and how it is distributed; how much leaks outside through PATT and YDCC, and documenting the stakeholders, networks, and the social hierarchy.

In the summer of 2006, I revisited Fenghuang. I spent most of the time doing participant observations and open-ended interviews in villages away from Tuo River Town. Yellow Silk Village and Gouliang Village caught my attention. The ancient rampart around Yellow Silk Village was one of the eight sites leased by the local government to YDCC. Representing YDCC, PATT is interested in investing to restore the entire village to what it was hundreds of years ago to attract more tourists. The local government requires the villagers to move out and allocates lands elsewhere to resettle them, with a compensation fee (about \$43 U.S. dollars per square meter) paid by PATT. Unwilling to leave their village, villagers are now collectively organized to sell tickets and guide tourists to visit the village, fighting with PATT over the use of their

tourism resources, despite local government pressure. Unlike Yellow Cave Village, Gouliang Village has no direct interaction with PATT, and it is now taking advantage of the increasing number of tourists in Fenghuang to develop its own tourism, which is directed by the village's economic and political elites, with local government's support. The two villages' tourism development models demonstrate differences in management practices, benefit distribution, and social conflict generation, etc.

While on site in Fenghuang, I chose Tuo River Town and Ala Town as the two major fieldwork sites since I felt they represented the county's tourism development, both of which provided vivid pictures and ample data to address my research questions. Later, while back from the field, I was doing archive reading for my dissertation, and I found out that Tuo River Town and Ala Town had the highest urbanization rates among all the towns and townships. While The county's overall urbanization rate was 14.3%, Tuo River Town was 80.3%, and Ala Town was 28.8% (CACP and PGFC 2005). Then I realized that was one major reason for my feelings about them. The time period of my fieldwork in the early spring of 2002 and the two summers of 2005 and 2006 was at the very early stage of Fenghuang's 50-year large scale and capital-intensive tourism development which began in 2002, so for most areas in Fenghuang with low urbanization rates (especially the relatively remote townships), tourism had not yet started.

During the two summer fieldwork seasons of 2005 and 2006, I conducted 61 open-ended interviews, most of which were conducted in Tou River Town, Yellow Silk Village, and Gouliang Village: with 13 local government officials (2 at prefecture level, 8 at county level, and 3 at village level); 34 local residents (18 urban residents, 16 rural residents); 4 outside small business operators; 7 tourists, and 3 PATT officials (the CEO and two managerial level staff). Both of the two prefecture level government officials are from Fenghuang County, one of whom was a chief

in charge of ethnic affairs, the other had resigned to run a bar business back in Fenghuang. The eight county level officials were the chiefs of different Fenghuang county bureaus, such as the statistic bureau, environment protection bureau, business administration bureau, vegetable bureau, construction bureau, tourism bureaus, ethnic groups affairs bureaus, etc. The eighteen urban residents in Tuo River Town were picked up randomly to represent the stratification of different occupations, such as guest house operators, laid-off factory employees who run small family restaurants, taxi drivers, boatmen, tourist guides, costume renters, and other local residents who were not involved directly in the tourism industry employment. The sixteen rural residents were peasants living in Ala Township (Yellow Silk Village and Gouliang Village), and Sanjiang Township. The 4 outside investors were bar owner, stilt-house renter in the lodging business, crafts souvenir shop owner, and photograph shop staff. The seven tourists were of different gender, age level, and occupations who offered their personal experiences and overall comments on Fenghuang's tourism, as a complement to the data from the survey report on Fenghuang tourists<sup>10</sup>.

Notes:

1. A model of production, according to Marx and Engels, consisted of relations of production and forces of production. Relations of production were the social relations through which labor was mobilized and surpluses appropriated; and forces of production included the technological and scientific instruments and other material conditions. The picture of a succession of modes of production could be read as a progressivist perspective of human history, which is that slavery, feudalism, capitalism and communism would succeed each other in lockstep fashion. But China went from feudalism directly to socialism (the early stage of communism) by skipping capitalism, which means that the forces of production don't fit the socialist social relations of production in China.

2. For more details about China's campaign to "Open up the West", refer to *China's Campaign to "Open Up the West": National, Provincial and Local Perspectives*, edited by David S. G. Goodman, 2004, Cambridge University, New York.

3. The Hmong and the Tujia are two of the fifty-six ethnic groups in China, both of whom are Chinese minorities.

4. Datong Industrial Corporation of China (DICC) is the former Datong Electronic Corporation of China (DECC) affiliated with Chinese Academy of Science (CAS) which was established in 1989. In 1994 with the approval of CAS, DECC was reorganized through the investments from three other companies, and was renamed officially as DICC. With a registered capital of sixty million yuan, DICC has been expanding rapidly, and its business involves investment, high technology, tourism, decoration and renovation, seaport construction, etc.

5. UNESCO seeks to encourage the identification, protection and preservation of cultural and

natural heritage around the world considered to be of outstanding value to humanity, irrespective of the territory on which they are located. The Convention on the Protection of the World Cultural and Natural Heritage was adopted at the UNESCO General Conference on November 16, 1972. Today, it stands as the most effective international policy instrument for the protection of unique natural and cultural sites. As of September 2006, the World Heritage List included 830 properties, with 162 natural, 644 cultural, and 24 mixed properties in 138 States Parties.

6. In Marxist theory, commodity fetishism is a state of social relations, arising in complex market systems, in which social relationships are defined by the values that are placed on commodities. The term is introduced in the opening chapter of Karl Marx's main work of political economy, *Capital*, of 1867. In most subsequent Marxist thought, commodity fetishism is defined as an illusion arising from the central role that private property plays in capitalism's social processes. It is a central component of the dominant ideology in capitalism societies.

7. There are two tourism "Golden Week" holidays every year in China since late 1990. One begins from the "Labour Day" (May 1), and the other begins from the "National Day" (October 1). This policy of two long national holidays aims at encouraging China's domestic consumption by tourism in order to stimulate economic growth.

8. The eight sites are Southern China Great Wall, Qiliang Cave, the Ancient Rampart around Yellow Silk Village, the Rainbow Bridge, the Former House of Congwen Shen, the Former House of Xiling Xiong, and the former house of the Yang. They are either historic sites, or natural scenic sites, or former houses of celebrities who were from Fenghuang County. The last five are all located in Tuo River Town; the first three are in other townships of Fenghuang County. See Figure 2.1 in Chapter 2.

9. In this paper, exchange rate of 8.1:1 is adopted to convert yuan (Chinese dollar) to U.S. dollar,

which was the conversion rate at that time.

10. These data are from the survey report acquired from the PATT. In October 2004, the Market Department of PATT cooperated with the Normal University of Hunan Province to conduct a formal sampling survey of the tourists in Fenghuang County.

## CHAPTER TWO FENGHUANG COUNTY AND ITS TOURISM

### **Fenghuang's History and Administrative Structure**

Fenghuang means phoenix in Chinese, and it was named after the Phoenix Mountain, fifty miles west of Tuo River Town. The mountain is shaped like a bird, and “phoenix” was auspicious, which is how the mountain was named. During the Xia, Shang, and Western Zhou periods (2070 B.C.-771 B. C.), the inhabitants of the region now known as Fenghuang County were considered to be barbarians; during the Spring and Autumn Period and Warring States Period (770 B.C.-476 B.C.), Fenghuang belonged to the territory of the Chu State. In 221 B.C., the Qin State eventually united China, and established the Qin Dynasty. The Qin Dynasty designed the first hierarchical administrative divisions in China, based on two levels: *Jun* (commandery) and *Xian* (county). This region was divided into Qianzhong Jun, and then Wuling Jun in the Han Dynasty, Weiyang County in the Tang Dynasty, Fenghuang Ting in the Ming Dynaster, and Zhengan Zhen in the Qing Dynasty, with each dynasty making changes in the administrative divisions. From the Qin Dynasty to the Qing Dynasty, the Hmong stockaded villagers in Fenghuang lived their tribal lifestyle (Committee of Gazetteer of Fenghuang County's Ethnic Groups 1997).

The history of this region had been a regional history of continuing cycles of conquest, revolt, and trade, a history of conflict and cooperation with the central government, especially during the Ming and Qing Dynasties. The Hmong were remarkable not simply for their poverty, but for their tribal “savagery” as well. The wall now known as the “Southern China Great Wall” was built during the Ming Dynasty in Fenghuang by the central government dominated by the Han, in order to isolate the Hmong as barbarians. The Hmong had remained relatively autonomous in



their sociopolitical organization and in their economic production. Their livelihoods generally rely on subsistence production. In the past they were horticulturists who practiced rotational swiddening, but now they are sedentarized peasants (Committee of Gazetteer of Fenghuang County's Ethnic Groups 1997; People's Government of Fenghuang County 2005).

In 1913, the Republic of China named this region Fenghuang County, and in 1950, the People's Republic of China established the People's Government of Fenghuang County. In 1952, the Xiangxi Hmong-Tujia Ethnic Groups Autonomous Prefecture was established, which includes Fenghuang County (Committee of Gazetteer of Fenghuang County's Ethnic Groups 1997; People's Government of Fenghuang County 2005). Just as Oakes describes Guizhou (1999:31), the mountainous setting of Fenghuang is "responsible for a long history of not only relative isolation from the dominant societies and cultures of traditional China but of endemic rural poverty and a stigmatized 'frontier' cultural identity as well." A long history of imperial, republican and communist efforts in Fenghuang are to tap its resources and integrate the region politically, economically and culturally into mainstream Chinese society.

Currently, there are five practical levels of local government in Mainland China: the province, prefecture, county, township, and village. The provinces serve an important cultural role in China. People tend to be identified in terms of their native provinces, and each province has a stereotype that corresponds to their inhabitants. Most of the provinces of China have boundaries that were established in the late Ming Dynasty. Major changes since then have been the reorganization of provinces in the Northeast, and the establishment of autonomous areas that are based on Soviet nationality theory after the establishment of P. R. China in 1949. The autonomous areas include 5 autonomous regions (province-level), 30 autonomous prefectures (prefecture-level), 117 autonomous counties and 49 autonomous banners (county-level), and

1092 ethnic townships (township-level). These autonomous areas are divisions with a designated ethnic minority, or several ethnic minorities, who are the majority of the population of that area. Under the condition that they are inseparable parts of the People's Republic of China, these autonomous districts are guaranteed more rights under the Autonomy Law of 1984. For example, there has been "more local control of budgets than is the case in non-autonomous administrative districts"; there has been "wide latitude to use minority languages as primary or supplementary media of instruction in elementary and secondary schools" (Harrell 2001: 48); and a certain number of the major autonomous government officials must be members of the ethnic groups.

Fenghuang County is situated administratively in Hunan Province as follows (Figure 2.1):

(a) Provincial Level: Hunan Province (Changsha City is the capital)

(b) Prefectural Level: the Xiangxi Hmong-Tujia Ethnic Groups Prefecture in West Hunan Province (Jishou City is the capital)

(c) County Level: Fenghuang County (Tuo River Town is the capital). Tuo River Town is the center of more urbanized life, defining urban identity for the rest of the county with booming construction and floods of tourists since 2002.

(d) Township Level: The township administrative level includes both townships (Xiang ) and towns (Zhen ). The distinction is based on the criteria that towns are more urbanized than townships and have a higher percentage of residents employed in nonagricultural pursuits (Whiting 2001). Fenghuang County has 9 towns and 22 townships. Among the total of 31 towns/townships, 15 are dominatedly inhabited by Hmong.

(e) Village Level: The village level serves as an organizational division (census, mail system), but is not specifically represented at higher political levels. However, villages do have defined

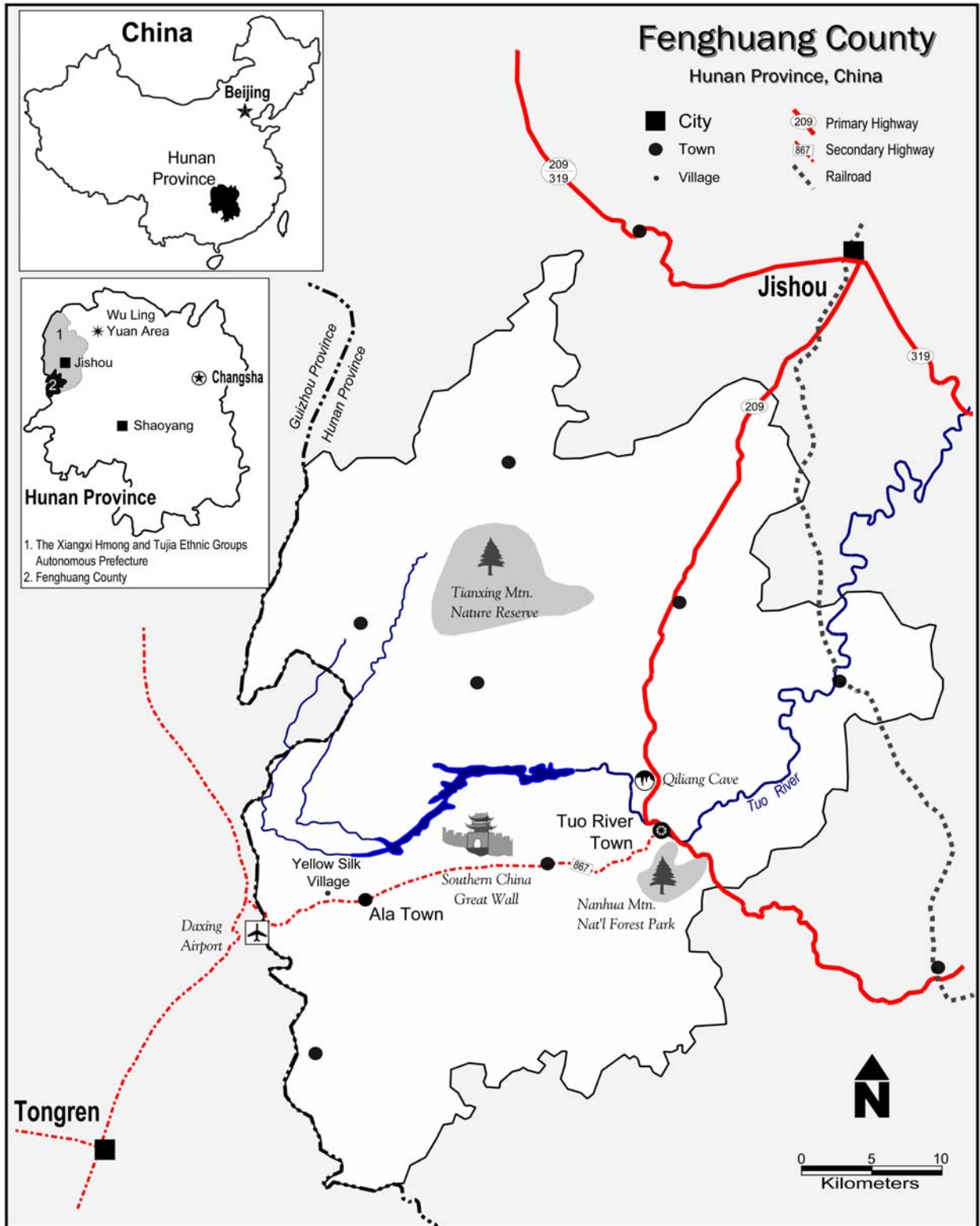
boundaries and designated heads. There are 344 villages under the town/township level in Fenghuang County.

According to the Fenghuang County's most recent census in 2000, the county's overall urbanization rate was 14.3%. The urbanization rates varied greatly among the nine towns: The highest was Tuo River Town at 80.3%; the second highest was Ala Town at 28.8%; the lowest was Heku Town at 2.1% (CACP and PGFC 2005: 17).

### **Fenghuang as Periphery in Physiography, Ethnicity, and Economy**

In American anthropology, despite a rich literature on China's peripheries and ethnicity, there is little coverage of the Xiangxi Autonomous Prefecture in the west of Hunan, where Fenghuang County is located. However, recent scholarship on frontier zones and ethnicity in China is still useful in building a framework for understanding Fenghuang County. In Swain's paper on local identities and transnational linkages in Yunan Province, she included a brief literature review on China's frontier studies (2002:182). The idea of a frontier zone was proposed by Aris (1992:13) in his writing about Tibetan borderlands, as well as by Gaubatz (1996:13) in his study of frontier zones and urban transformations in China. Harrell and others (Harrell 1995, 2001) writing about Confucian, Christian, and Communist "civilizing projects" on China's ethnic frontiers have focused attention on the colonial nature of these unequal interactions, local reactions, and the fluidity of identities, with Sichuan Province as Harrell's major research site. Oakes' (1998, 1999, 2004, 2006) research focuses on Guizhou Province and its ethno-tourism development' impacts on local identity.

Figure 2.1: Fenghuang County, Hunan Province, China



The lack of anthropological literature on the Xiangxi Autonomous Prefecture among the scholarship on frontier zones and ethnicity in China, may be due to the fact that Hunan belongs geographically to the Central-South Region (consisting of Hunan, Henan, Hubei, Guangxi, and Guangdong Provinces), rather than the Southwest Region (consisting of Yunan, Guizhou, Sichuan Provinces, and the Tibet Autonomous Region). However, Fenghuang County shares more characteristics with places in the Southwest Region, such as its western neighbor Guizhou Province, in terms of its economy and the population's ethnicity, rather than with the middle and north areas of Hunan and other areas in the Central-South Region.

China's sub-division into provinces took shape during the Yuan Dynasty and its essential principle of basing provinces on administrative rather than economic considerations has remained in force ever since. For centuries, therefore, there existed a separation between economic and administrative boundaries. During this time, the central provinces remained relatively stable and well defined, albeit with frequent minor rearrangements and border corrections. In contrast, economic regions were defined in different ways for different purposes. For late Imperial China, William Skinner (1977, 1985, 1964) in his seminal work combined natural features and market structures to define nine macro-economic regions that generally cut across provincial borders. Skinner (1994) has since used more recent and further disaggregated data to argue that these macro-regions are still relevant to the modern Chinese economy (Hendrischke 1999).

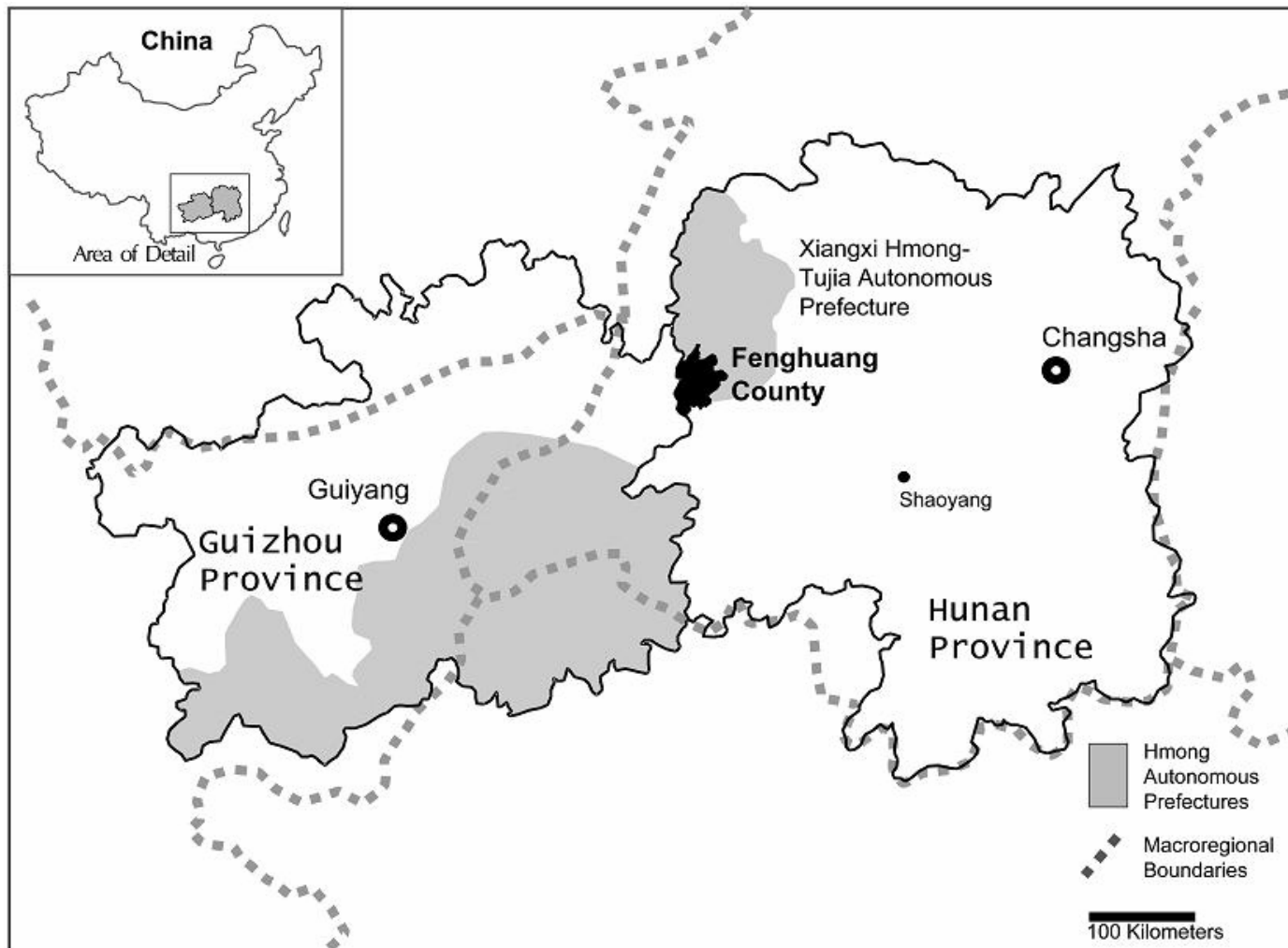
#### a. Geography

Hunan is an interior province in south China. Fenghuang County lies in the only autonomous prefecture in Hunan Province—the Xiangxi Autonomous Prefecture. Fenghuang County is

located in the southwest corner of this autonomous prefecture, next to the border of Guizhou Province. Guizhou Province, with three major Hmong autonomous prefectures, is where the Chinese Hmong peoples are concentrated (Figure 2.2). The Hmong are also the largest ethnic group in Fenghuang County, which, shares much in common with Guizhou, because of its geography proximity and ethnic composition. Guizhou Province occupies the heavily eroded limestone highlands of the eastern Yun-Gui Plateau, as does Fenghuang County.

Scholars (e.g. Spencer 1940; Goodman 1983, Oakes 1998) have characterized Guizhou Province as an “internal colony,” because of unequal resource extractions first by the Chinese state, and more recently, by national level Chinese capital. Fenghuang County may be in a similar position. According to Skinner (1985), China has historically been characterized by a hierarchy of local and regional histories whose scope is grounded in the spatial patterning of human interaction. Skinner grouped these local and regional histories into nine physiographic macro-regions, each characterized by a core area of agricultural accumulation and urban networks. Oakes (1998: 87-89) employed Skinner’s macro-regional system to analyze Guizhou’s position as China’s physiographic periphery. This perspective can also be applied to Fenghuang County. Looking at the administrative region defined as Fenghuang on the map reveals its peripheral nature in physiographic terms: it is entirely a hinterland region, located in a minority autonomous prefecture, close to the borders of no less than four of Skinner’s nine macro-regions (Figure 2.2).

Figure 2.2: Fenghuang County's location relative to the peripheries of Southwest China's physiographic macro-regions (Adapted from Skinner 1985: 273.)



## b. Population

Fenghuang County has a population of about 374,000, of which 89% are peasants. Twenty-nine ethnic minority groups (nationally recognized) constitute 74% of the local population, and the Han is only 26%. The largest minority ethnic group in Fenghuang is Hmong, 56% of the total population; the second largest minority ethnic group is Tujia, about 19%; and all the other minority ethnic groups constitute less than 0.5% of the total population (Fenghuang County Statistical Yearbook 2004).

Hmong are called “Miao” (*pinyin*) in Chinese mandarin. Different periods are distinguished in which “Miao” are referred to in Chinese chronicles: a “legendary” period (c.2300-200BC); the period in which “Miao” was used to refer generally to southern barbarians up to AD1200; and a “modern” period since then (Tapp 2003). Hmong outside China live in Thailand, Laos, Vietnam and Burma, due to migrations starting in the 18th century. They also live in the United States, France, Guyana and Australia, as a result of recent migrations in the aftermath of the Vietnam War (Quincy 1995). There are fifty-six ethnic groups in China. Hmong is the fourth largest. “Despite alternate attempts at their destruction or assimilation by Han Chinese, their segmentary tribal organization has allowed them to preserve their language and culture for over 2,000 years of history.” (Lemoine 1978, cited in Tapp 2003:3). They speak various dialects, and are mainly concentrated over seven provinces in southwest China. Ranked by the size of their Hmong population in descending order, the seven provinces are: Guizhou, Hunan, Yunnan, Sichuan, Guangxi, Hubei, and Hainan.

Although the basic elements of costume remain constant for all Hmong, colors and decorative motifs vary among subgroups. Different Hmong groups throughout southwestern China have been identified by appellations, which describe their distinctive dress -White, Green



(Blue), Black, Red, Striped, and Flowery, etc. Tapp (2003:3) compares the situation of the Hmong to that of Jews as follows: “The preservation by the Miao of their ethnic identity despite their being split into many small groups surrounded by different alien peoples and scattered over a vast geographical area is an outstanding record paralleling in some ways that of the Jews but more remarkable because they lacked the unifying forces of literacy and a doctrinal religion and because the cultural features they preserved seem to be so numerous.” Hmong language did not acquire a written form until the 1950s, prior to which, the Hmong people have had to depend on an oral and artistic tradition to pass on their history, legends, beliefs, and culture from one generation to the next. Hmong culture is rich with traditions in arts and crafts, including cut-paper, embroidery, silver jewelry making, batik, etc. Among all the Chinese ethnic groups, the Hmong’s costume is the most delicate and splendid, thanks to their handicraft of embroidery and silver jewelry. Hmong cultures are exotic to the Han and other Chinese, so they are one of the major tourist attractions in Fenghuang.

### *Population Distribution*

In 2004, the total population of Fenghuang County was 374,135, of which the non-agriculture population was 42,089 (Fenghuang County Statistical Yearbook 2004). The following table shows the distribution of Fenghuang County’s population at the town/township level (Figure 2.3, Table 2.1).

Figure 2.3: Towns and townships in Fenghuang County (refer to Table 2.1 for the town/township names)

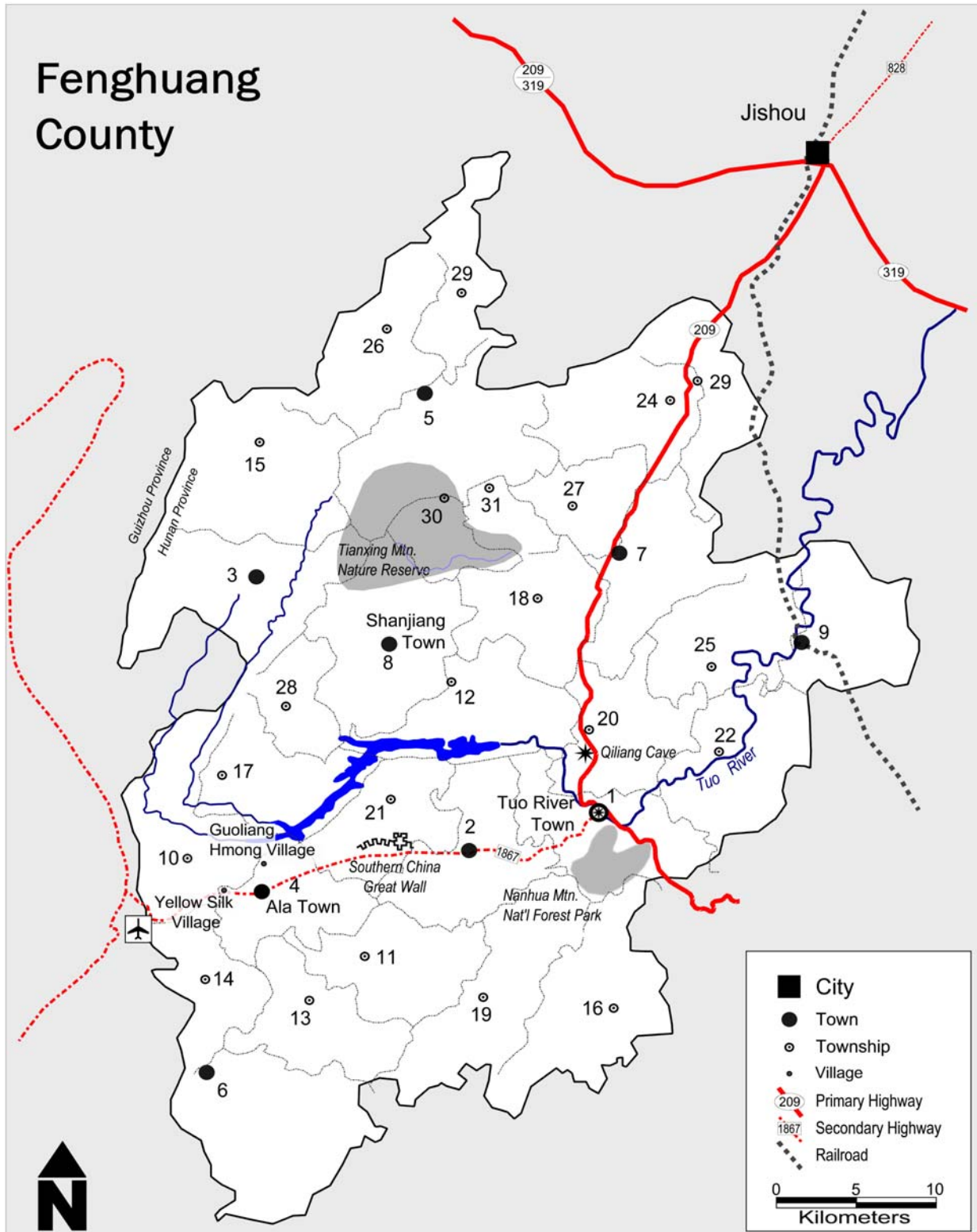


Table 2.1: Population distribution among the towns and townships in Fenghuang, 2004.

	<b>Town/Township</b>	<b>Number of Village</b>	<b>Total Population</b>	<b>Non-Agricultural</b>	<b>Hmong</b>	<b>Han</b>	<b>Tujia</b>
1	<b>Tuo River Town</b>	13	42,173	30,511	14,369	18,216	8,864
2	<b>Liaojia Qiao Town</b>	20	18,985	662	7,250	5,803	5,817
3	<b>Laer Shan Town</b>	19	17,401	809	17,000	360	40
4	<b>Ala Town</b>	15	17,077	1,919	8,534	4,328	4,110
5	<b>Heku Town</b>	15	14,323	454	14,076	123	115
6	<b>Chatian Town</b>	10	14,091	896	2,028	9,365	1,491
7	<b>Jixin Town</b>	10	13,521	1,238	4,432	4,135	4,805
8	<b>Shanjiang Town</b>	15	12,783	495	12,713	29	38
9	<b>Mujiang Ping Town</b>	12	10,625	446	675	5,021	4,917
10	<b>Luochao Jing Township</b>	13	13,825	241	12,538	163	1,110
11	<b>Xinchang Township</b>	10	13,474	381	1,918	6,324	5,198
12	<b>Qiangong Ping Township</b>	15	13,090	177	12,960	115	12
13	<b>Ciyan Township</b>	10	12,430	513	1,274	6,476	4,635
14	<b>Huanghe Township</b>	11	12,209	351	4,241	3,292	4,547
15	<b>Lianglin Township</b>	14	11,994	237	11,839	127	26
16	<b>Shuida Tian Township</b>	9	11,509	205	1,335	7,829	2,281
17	<b>Machong Township</b>	16	11,319	162	11,296	16	6
18	<b>Muli Township</b>	10	11,249	131	11,221	10	14
19	<b>Linfeng Township</b>	8	11,248	232	1,011	8,690	1,529
20	<b>Qiliang Qiao Township</b>	11	11,237	183	2,212	5,134	3,871
21	<b>Duli Township</b>	8	10,858	179	9,957	312	586
22	<b>Guanzhuang Township</b>	10	10,814	212	791	1,847	8,150
23	<b>Ganzi Ping Township</b>	12	9,802	438	1,721	4,116	3,952
24	<b>Sangong Qiao Township</b>	11	9,610	304	9,505	44	52
25	<b>Qiaoxi Kou Township</b>	9	9,444	206	238	5,276	3,913
26	<b>Liubo Township</b>	11	8,191	96	8,167	5	2
27	<b>Datian Township</b>	7	6,178	147	6,146	16	14
28	<b>Banpan Township</b>	6	5,429	85	5,416	13	0
29	<b>Miliang Township</b>	6	4,641	87	4,635	2	3
30	<b>Liangtou Yang Township</b>	4	2,428	43	2,424	0	4
31	<b>Huolu Ping Township</b>	4	2,178	49	2,163	9	6

Source: Fenghuang County Statistical Yearbook 2004

With Fenghuang's tourism boom since 2002, temporary migration of the rural poor to urban areas is a strategy especially for men in construction and transportation work, and for women in tourist related work such as tour guide, making and selling handicraft souvenir, and other small businesses. Therefore, the population distribution between urban and rural residence shows a continuing rate of increase in urban people compared to a generally decreasing rural population. There are more registered agriculturists than rural residents, due to the migration from rural to urban areas for wage work. This trend was already happening, and now is strengthened by Fenghuang's tourism boom.

### *Social Structure*

Throughout China's history, merchants/businessmen were always classified as inferior. In feudal China, the four traditional social classes were ranked from high to low as scholars/intellectual/government officials (*shi*), peasants (*nong*), craftsmen/workers (*gong*), and businessmen (*shang*). In early socialist China (from 1949 to 1978), there were three major equal social classes workers (*gong*), peasants (*nong*), and soldiers (*bing*) as the major social forces contributing to P. R. China's socialist construction. In market socialism China since 1978, and especially after 1992, with capitalist development in socialist China, there has increasing social inequality, along with major changes in social structures: the improving status of businessmen; the emergence of new social classes, such as migrant workers from rural to urban areas, and middle-class employees in multinational corporations (Duthie 2005).

Before its tourism's rapid development, Fenghuang's wealth distribution very much reflected its social classification as determined by P. R. China's rigid political hierarchy. Because the lack of official statistical data on overall household wealth, we are going to take a look at the county's

proxie measures of wealth, such as household expenditure on house-building (Table 2.2 and Figure 2.4) and the average size of housing area by different household head occupation (Table 2.3) in 2000 as criteria to reflect wealth. Both sets of data fit well the power-law distribution, which preliminarily justify the application of Power and Scale perspective in this geography area as Fenghuang. These data in 2000 are compared in Chapter 3 (Figure 3.1) with the new social structures in Fenghuang since its aggressive tourism development, to demonstrate the social changes.

### c. Resources

Fenghuang is a mountainous county in the Yun Gui Plateau, with about 47 high mountains and relatively high forest coverage (about 40% in 2003). The southeast area is below 500m above sea level; the area between the northeast and southwest is between 500m-800m above sea level; and the northwest area is higher than 800m. It has a semi-tropical monsoon humid climate, and its average temperature is 16.5° C, average rainfall is 925.2mm/year (Fenghuang County Statistical Yearbook 2004). Fenghuang has rich endowments of 23 mineral resources, among which most prominently are coal, lead, phosphorus, zinc, sulphur and iron, mercury, manganese, etc (People's Government of Fenghuang County 2005).

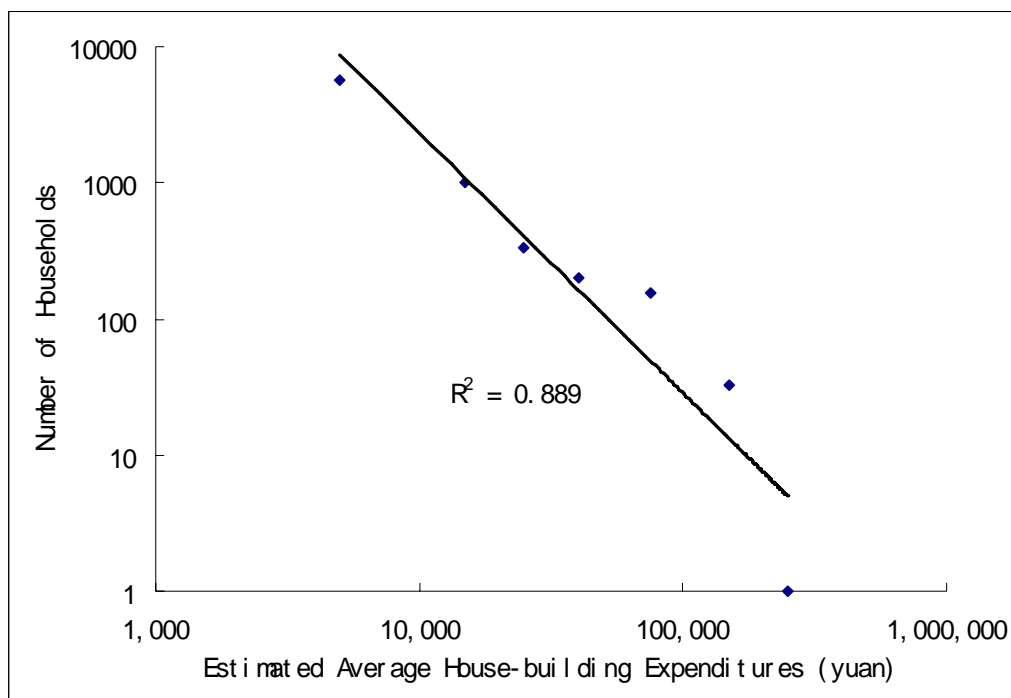
In Fenghuang, there are 156 rivers, among which the Tuo River is the biggest and most important. Tuo River Town, the capital of Fenghuang, is named after this river. Locally, the Tuo River is the crucial energy and tourism resource; regionally, it is one of the major tributaries of the Yangtze River, the longest river in China and Asia, and the third longest in the world. The Yangtze River and some of its 700 tributaries form China's main navigable waterways. It is a source of hydroelectric power and irrigation for agriculture.

Table 2.2: Fenghuang County household expenditure on house building, 2000

Number of Households	Range of House-building Expenditures (yuan)	Estimated Average House-building Expenditures (yuan)
5,702	0-10,000	5,000
1,010	10,000-20,000	15,000
330	20,000-30,000	25,000
201	30,000-50,000	40,000
156	50,000-100,000	75,000
33	100,000-200,000	150,000
1	200,000-300,000	250,000

Source: The Fifth Census of Fenghuang County, Hunan Province, 2000, page 410.

Figure 2.4: Power-law distribution of Fenghuang County household expenditure on house-building, 2000



Source: Table 2.2

Table 2.3: The average size of housing area according to household head occupations, 2000

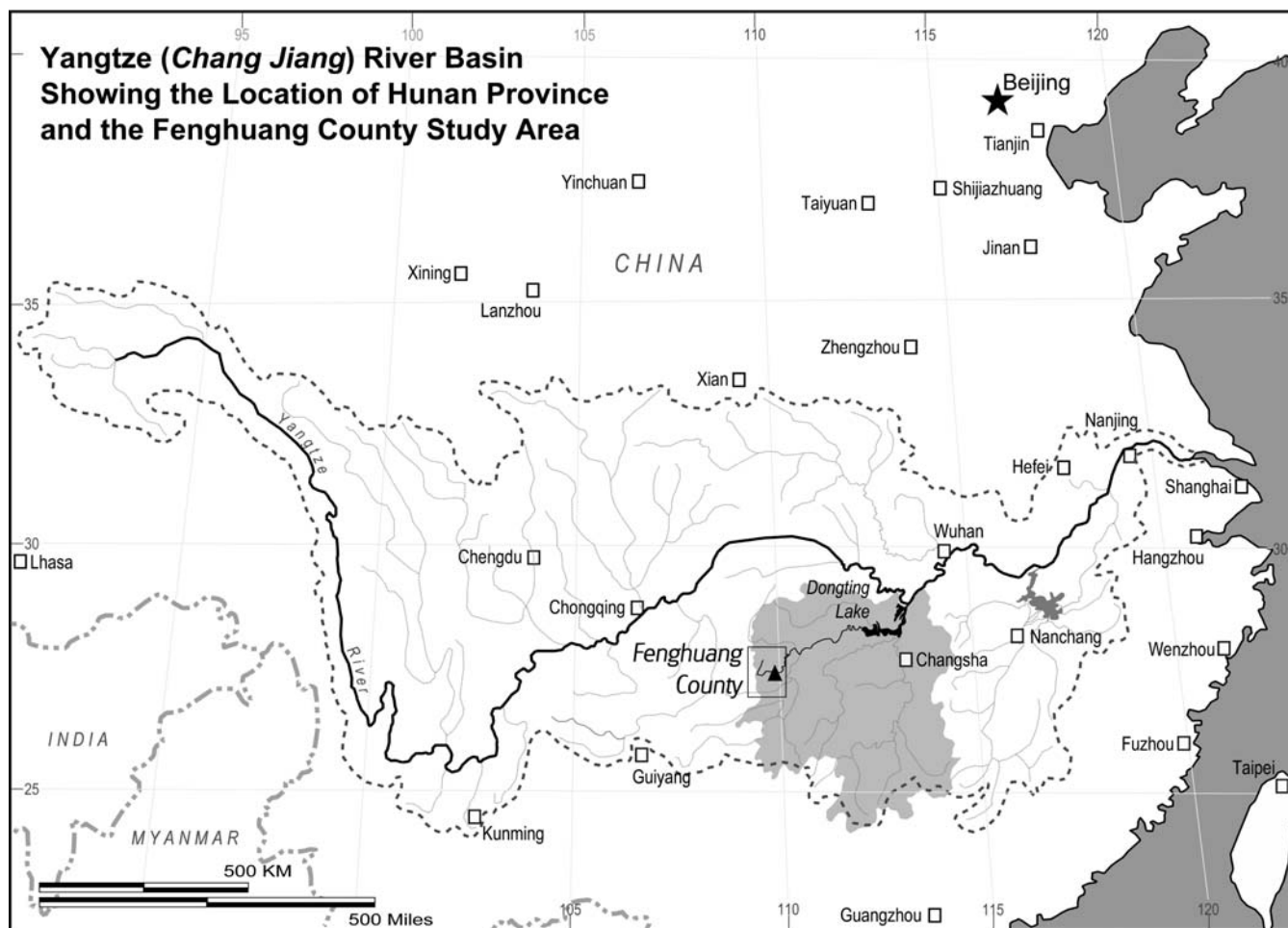
Occupation	Number of Household	Average Housing Area per Household Member (m <sup>2</sup> )
Officials	80	27.77
Staff	189	24.64
Agriculture, Service, Industry, Technician, Businessmen, etc.	8192	20.11

Source: Data in this table is based on the original data on The Fifth Census of Fenghuang County, Hunan Province, 2000, page 415.

The Yangtze River Basin, an area of 1.8 million square kilometers, is a region of tremendous economic importance. The Central Yangtze, especially Dongting Lake region in Hunan Province that the Tuo River flows into, is affectionately known as China's home of rice and fish in recognition of its fertile soils and the bounty of its rivers (Figure 2.5). This region is also known to support 200 species of fish, more than 84 species of mammals, 60 species of amphibians, and 87 species of reptiles, some of which are extremely rare, such as the Yangtze alligator and the Yangtze River dolphin listed as critically endangered by the International Union for the Conservation of Nature and Natural Resources (IUCN). But today, the Yangtze River Basin is "a region struggling to contend with the environmental problems arising from population pressure and rapid economic development." (The World Wildlife Fund website: [http://www.panda.org/about\\_wwf/where\\_we\\_work/asia\\_pacific/where/china/wwf\\_china\\_conservation/yangtze\\_river/threats/index.cfm](http://www.panda.org/about_wwf/where_we_work/asia_pacific/where/china/wwf_china_conservation/yangtze_river/threats/index.cfm)). One of the two projects that the World Wildlife Fund (WWF) is currently working on in China is in the Yangtze Basin.

According to the Yangtze River Conservation and Development Report 2007, almost one tenth of the 6211 km main stream is in critical condition, and almost 30% of its major tributaries, including Tuo River, are heavily polluted by excessive ammonia, nitrogen, phosphorous and other pollutants. This report is the nation's first comprehensive study of the river, compiled by experts from the Chinese Academy of Sciences, the Yangtze River Water Resources Commission affiliated to the Ministry of Water Resources and the World Wildlife Fund (WWF). It was released at a forum in Changsha City, the capital of Hunan Province (*China Daily* April 16, 2007 article "Pollution takes toll on Yangtze", accessed online at <http://www.ipe.org.cn/dtxxview/index.jsp?XH=580>).

Figure 2.5: The Yangtze Basin



Source: Adapted from the website of China Water Pollution Map by the Institute of Public & Environmental Affairs,

<http://www.ipe.org.cn/ly.jsp?qybh=1>



Fenghuang is a mountainous county, and most of the rural population has access to forested land, which supplies firewood, a crucial energy resource. According to the data (Table 2.4), more than 78% (6538/8339) of households in Fenghuang County are using firewood as the major cooling fuel. The population pressure on the land since the county's large-scale tourism development, as well as annual deficit of firewood between the consumption and growth rate (especially with its tourism development stimulating the infrastructure construction and real estate development), are affecting Fenghuang's forest resources.

As afforestation efforts have not kept up with demand, state institutes and funds are developing energy sources such as marsh gas and its relevant training programs. I interviewed an official at the county's Energy Bureau in July 2006, and he described the methane project, including the coverage rates, training program, funding sources, and benefits. Economically, it cost 2,300-2,500 Chinese dollars (including labor fee) to construct a 10m<sup>3</sup> methane pool. According to the official, if a household consumes 1 KWh (kilowatt-hour) of electricity per day, and 120kg firewood per month, it will save ¥401 yuan in fuel costs per year. Money saved only on electricity and firewood for 3 to 4 years will be equal to the construction cost of the household. Besides, methane residues are good material for pig raising, and fertilizing vegetables and fruits. In this way, it helps the household to develop a recycle economy. Compared with firewood or coal as fuel, methane reduces smoke and CO<sub>2</sub> emissions as well as protecting local forest, both of which improves the living condition of households.

In spite of the economic and ecological benefits claimed by the government, there were problems with its application. Till 2006, the government had helped to construct and install methane equipment for 6,837 households, about 10% of total households in the county among 23 town/townships (Table 2.4). However, only a few of them were using methane effectively, and

some households went back to firewood. Even though for every household's methane project, the government invested more than 1000 yuan, and the household only needed to invest about 100 Yuan, they were reluctant, or even refused to replace firewood with methane. The project requires a certain area to put two underground containers (a small one for the manure and a large one for methane), pig and water buffalo manure, and intensive labor every six months for the maintenance of the underground mash container. But in local villages, with more and more villagers migrating to cities for wage employment, fewer households raised pigs or water buffalos. Even though some did need water buffalo for the field, they simply bought one at the needed season, and sold it right away after that season, without keeping it around all year long. Also with the difficulty of access to supplies (e.g. the methane pipes were not available at the township market) and the limited number of technicians (In 2003, there were only 86 trained technicians at the county level. In 2004, there were 250 technicians, and 280 in 2005, making maintenance impractical for households in remote villages. For example, for Gouliang Village in Ala Town, the government's goal was to help 100 households with methane, but only 8 households were involved. I interviewed one villager among the eight households with methane. He told me that since the brick made yard fence fell and damaged the equipment a month ago because of the heavy rain, he couldn't use the methane and instead started going to the forest to get firewood. Even before that, the volume of methane had not been stable: sometimes it was enough for both cooking and lighting one bulb, sometimes it wasn't even enough for cooking. He wasn't much worried about fixing the damage, explaining, "It is much simpler to just use firewood".

Table 2.4: Households Distribution by Cooking Fuels in each Town/Township of Fenghuang, 2000.

Town/Townships	Number of Households	Households Distribution By Cooking Fuel				
		Gas	Electricity	Coal	Firewood	Others
<b>Tuo River Town</b>	1,177	375	20	598	193	9
<b>Liaojia Qiao Town</b>	401	1	0	46	354	0
<b>Mujiang Ping Town</b>	224	0	0	20	204	0
<b>Ala Town</b>	401	20	7	94	280	0
<b>Chatian Town</b>	315	4	0	42	268	1
<b>Jixin Town</b>	298	0	65	1	208	24
<b>Shanjiang Town</b>	281	6	1	41	233	0
<b>Laer Shan Town</b>	360	4	0	39	317	0
<b>Heku Town</b>	296	2	0	30	264	0
<b>Qiliang Qiao Township</b>	247	6	0	17	222	2
<b>Guangzhuang Township</b>	233	1	0	10	221	1
<b>Qiaozhi Kou Township</b>	197	0	0	7	190	0
<b>Shuida Tian Township</b>	254	0	1	14	239	0
<b>Linfeng Township</b>	252	0	0	11	241	0
<b>Duli Township</b>	217	0	0	9	208	0
<b>Luochao Jing Township</b>	283	5	0	12	265	1
<b>Xinchang Township</b>	303	4	0	12	284	3
<b>Ciyan Township</b>	265	3	0	38	224	0
<b>Huanghe Township</b>	261	1	0	27	233	0
<b>Datian Township</b>	133	0	0	5	127	1
<b>Sangong Qiao Township</b>	210	0	0	23	187	0
<b>Ganzi Ping Township</b>	219	0	0	71	148	0
<b>Liantou Yang Township</b>	48	0	0	0	48	0
<b>Huolu Ping Township</b>	54	0	0	3	50	1
<b>Machong Township</b>	226	1	0	6	219	0
<b>Banpan Township</b>	110	0	0	5	105	0
<b>Qianggong Ping Township</b>	289	0	0	18	271	0
<b>Muli Township</b>	240	0	0	12	228	0
<b>Lianglin Township</b>	260	5	0	22	233	0
<b>Liubo Township</b>	174	0	3	3	167	1
<b>Miliang Township</b>	111	1	0	3	107	0
<b>County Total</b>	<b>8,339</b>	<b>421</b>	<b>33</b>	<b>1,303</b>	<b>6,538</b>	<b>44</b>

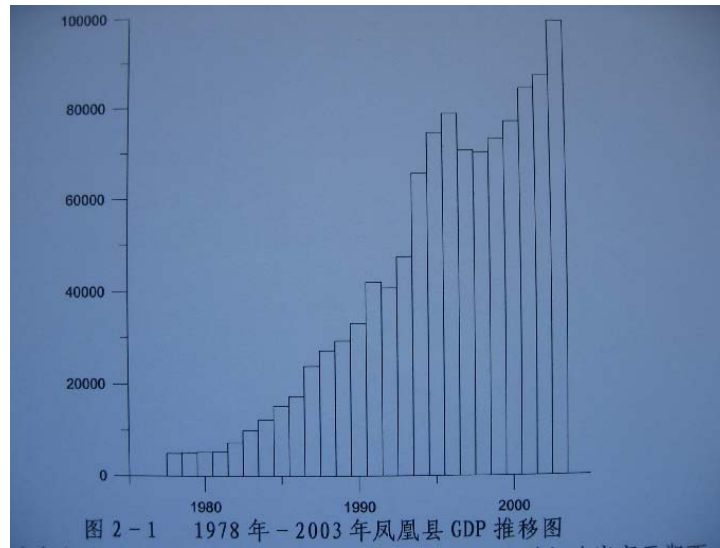
Source: The Fifth Census of Fenghuang County, Hunan Province, 2000, page 407

#### d. Economy

Tourists visit Fenghuang to consume the natural and cultural landscapes. Pleasant climate, stunning views, “colorful” ethnic cultures, picturesque old towns, national forest parks, the stalactites of Qiliang Cave, and the newly discovered and partially restored Ming Dynasty “Southern China Great Wall” are the primary tourist attractions. However, in spite of its rich natural and cultural resources, Fenghuang is one of China’s “National Poor Counties,” and its per capita GDP is only 29.42% of the national average in 2005 (Fenghuang County Statistical Yearbook 2004).

Fenghuang’s economy is threatened by an impending agricultural crisis brought about by chronic rural poverty, lack of investments, and rapidly increasing population. In the early 1980’s, according to the economic indices, Fenghuang County ranked the last among 108 counties of Hunan Province. From 1985 to 1990, influenced by the “Reform and Open-up” policy, the annual economic growth rate of Fenghuang County was an amazingly high 16.67%. From 1990 to 1995, it was 17.65%. In 1997, due to the bankruptcy of Fenghuang Tobacco Company, which was the backbone of the local economy, the Fenghuang economy fell dramatically to only 0.68% from 1995 to 2003 (Figure 2.6). In terms of GDP increase rate, Fenghuang was higher than the Xiangxi Autonomous Prefecture from 1985 and 1990, but lower since 1990 (Table 2.5). Besides, a simmering fiscal crisis resulting from fiscal decentralization and decline throughout China has pushed Fenghuang toward increased dependence on an inadequate local revenue base: from 1990 to 1996, the local annual revenue was more than the financial expenditure, and starting from 1997 to 2005, the local financial deficit continued to increase (Table 2.6 and Figure 2.7). To deal with these problems, the post-Mao local government has advocated a modernization plan emphasizing the commercial integration of Fenghuang’s economy with external markets.

Figure 2.6: Fenghuang County's GDP, 1978- 2003.



Source: CACP and PGFC 2005: 6

Table 2.5: The GDP increase rates, Fenghuang County and Xiangxi Prefecture, 1985-2001

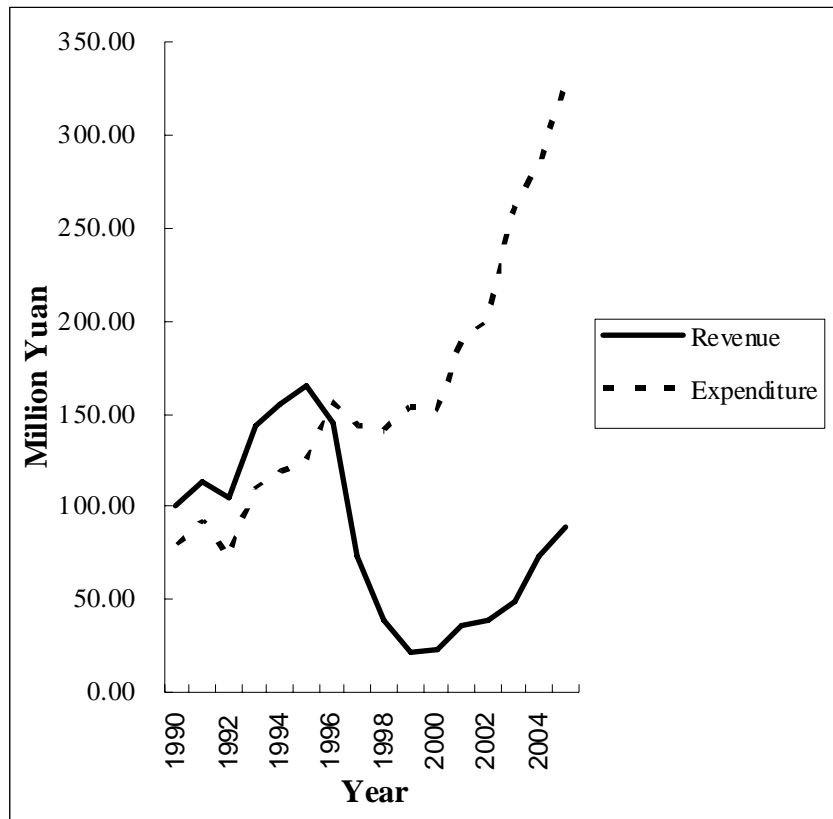
	<b>1985</b>	<b>1990</b>	<b>1995</b>	<b>2001</b>
<b>Fenghuang County</b>	23.73%	16.67%	17.65%	2.11%
<b>Xiangxi Prefecture</b>	12.80%	15.95%	20.78%	7.11%

Source: The Chinese Academy of City Planning and People's Government of Fenghuang County 2005, page 6.

Table 2.6: Fenghuang County's annual revenue and financial expenditure, 1990- 2005

	<b>Revenue (million yuan)</b>	<b>Expenditure (million yuan)</b>
<b>1990</b>	100.64	79.65
<b>1991</b>	113.20	93.04
<b>1992</b>	105.10	72.81
<b>1993</b>	143.00	109.46
<b>1994</b>	155.81	118.79
<b>1995</b>	165.29	124.13
<b>1996</b>	144.62	156.36
<b>1997</b>	72.80	143.26
<b>1998</b>	39.07	141.38
<b>1999</b>	21.71	153.16
<b>2000</b>	22.65	151.27
<b>2001</b>	36.54	189.36
<b>2002</b>	38.58	200.44
<b>2003</b>	49.39	260.66
<b>2004</b>	72.95	284.47
<b>2005</b>	88.96	327.89

Figure 2.7: Fenghuang County's annual revenue and financial expenditure, 1990-2005



Source: CACP and PGFC 2005: 12.

### **Fenghuang's Eighteen Year Tourism and Urbanization Plan, 2002-2020**

The traditional attitude expressed by Chinese scholars of ethnology and ethnohistory toward the history and society of minority peoples was based on the old ethnocentric paradigm — the “stages of development” model, a nineteenth century account of cultural evolution attributed to Lewis Henry Morgan as savagery, barbarism, and civilization (Morgan 1877), which in fact inspired Marx and Engels’ primitive, slavery, feudal, capitalist, and communist modes of production, as a “scientifically” discovered historical order. Morgan’s evolutionary framework was important in identifying where a particular group stood along the path of social development. In China, the Han are assumed to occupy the rung of the ladder at the most advanced top. As China’s pre-eminent ethnologist Xiaotong Fei (1981: 65) commented, “The state of the nationalities in China in the early post-liberation years provided researchers with a living textbook on the history of social development” (Harrell 2001; Oakes 1998).

As in China’s other peripheries, in official state discourse poverty in Fenghuang County remains as a problem of an incomplete modernization. With its potential for rural development in minority regions, tourism is seen as a catalyst to open the way for other processes that will stimulate Fenghuang’s development, through external investment and commercial integration of the rural economy with external markets. Tourism seems like a promising opportunity for this poor county, but the particular way it is being implemented since 2002 is problematic. The ambitious local government is hiring experts from Beijing to make a blueprint for Fenghuang County’s eighteen-year urbanization and tourism plans (CACP and PGFC 2005; TPRCCACP and TBFC 2004). In this elite-imposed process, local people are left with little choice but to embrace this large scale and capital-intensive development project. As a key part of the

modernizing process, Fenghuang tourism, as a case of rural tourism development in Hunan, offers a window on life in China's underdevelopment regions today.

According to seven key variables affecting tourism development, including transportation, population (both the total and the non-agriculture population), GDP (both the agricultural and the non-agricultural GDP), tourism resources, and cropland area, development planners group the 9 towns and 22 townships into 4 classes (Table 2.7). Comparing Table 2.7 with Table 2.1, we can see that the classification fits perfectly well with the population scale, with only the one exception of Mujiang Ping Town because of its lack of tourism resources and lack of a train station even though it lies on the rail line. Tuo River Town with the largest population is Class I, six townships with the smallest population are Class IV, the other towns/townships in between are classified into Class II and III.

This again explains why Tuo River Town and Ala Town were chosen as my major fieldwork sites: they have the top 2 highest urbanization rates; both of them have the best tourism development conditions among all the towns/townships; Tuo River Town is the capital and the center of local tourism; and Ala Town is the location of both Yellow Silk Village (which has the only intact ancient village rampart, and is one of the eight sites leased by the county government to YDCC), and Gouliang Hmong Village (the only village supported and promoted by the county government as a local tourism development model). The data on the numbers of town/township enterprises reflects the uneven economic activities in terms of both geographic regions and economic categories in Fenghuang (Table 2.8).



Table 2.7: Classification of Fenghuang’s town/township tourism development condition (Class I have the best condition, and Class IV have the worst condition)

<b>Classification</b>	<b>Town/Township</b>
<b>Class I</b>	Tuo River Town
<b>Class II</b>	Liaojia Qiao Town; Laer Shan Town; Ala Town; Heku Town; Chatian Town; Jixin Town; Shanjiang Town; Luochoa Jing Township; Xinchang Township; Qiangong Ping Township.
<b>Class III</b>	Mujiang Ping Town; Ciyan Township; Huanghe Township; Lianglin Township; Shuida Tian Township; Machong Township; Muli Township; Linfeng Township; Qiliang Qiao Township; Duli Township; Guanzhuang Township; Ganzi Ping Township; Sangong Qiao Township; Qiaoxi Kou Township.
<b>Class IV</b>	Liubo Township; Datian Township; Banpan township; Miliang Township; Liangtou Yang Township; Huolu Ping Township

Source: CACP and PGFC 2005: 24

Table 2.8: Number of Town/Township Enterprises in Fenghuang, 2003 (Source: Fenghuang County Statistical Yearbook 2003).

	Total	Agriculture	Industry	Construction	Transportation	Business	Lodging & Dining	Others
<b>TOTAL</b>	4,950	6	1,539	206	1,080	1,261	525	339
<b>Tuo River Town</b>	784	1	88	47	226	110	211	91
<b>Liaojia Qiao Town</b>	432	4	81	38	137	117	24	31
<b>Laer Shan Town</b>	130	0	25	0	30	41	25	9
<b>Ala Town</b>	525	0	178	19	64	139	125	0
<b>Heku Town</b>	139	0	42	0	20	62	11	4
<b>Chatian Town</b>	209	0	75	30	40	52	5	7
<b>Jixin Town</b>	346	0	126	1	49	150	20	0
<b>Shanjiang Town</b>	113	0	25	5	35	40	7	1
<b>Mujiang Ping Town</b>	56	0	15	4	24	0	13	0
<b>Luochao Jing Township</b>	18	0	8	0	10	0	0	0
<b>Xinchang Township</b>	218	0	85	0	38	5	2	88
<b>Qiangong Ping Township</b>	65	0	4	0	11	46	4	0
<b>Ciyan Township</b>	216	0	176	0	17	10	13	0
<b>Huanghe Township</b>	122	0	73	5	29	16	3	10
<b>Lianglin Township</b>	0	0	0	0	0	0	0	0
<b>Shuida Tian Township</b>	183	0	59	1	57	45	7	14
<b>Machong Township</b>	100	0	76	0	14	5	5	0
<b>Muli Township</b>	40	0	7	5	20	5	0	3
<b>Linfeng Township</b>	94	0	30	0	15	39	9	1
<b>Qiliang Qiao Township</b>	264	1	78	3	90	75	7	10
<b>Duli Township</b>	141	0	59	0	32	50	0	0
<b>Guanzhuang Township</b>	58	0	11	0	0	30	2	15
<b>Ganzi Ping Township</b>	170	0	16	6	75	60	9	4
<b>Sangong Qiao Township</b>	149	0	70	4	18	36	13	8
<b>Qiaoxi Kou Township</b>	102	0	37	14	13	38	0	0
<b>Liubo Township</b>	80	0	30	0	2	48	0	0
<b>Datian Township</b>	73	0	43	0	6	15	7	2
<b>Banpan Township</b>	27	0	4	1	12	10	0	0
<b>Miliang Township</b>	0	0	0	0	0	0	0	0
<b>Liangtou Yang Township</b>	0	0	0	0	0	0	0	0
<b>Huolu Ping Township</b>	96	0	18	23	5	17	0	33

## **CHAPTER THREE**

### **TOURISM IN TUO RIVER TOWN**

#### **Impressions of Tuo River Town**

My first visit to Fenghuang County was in the early Spring of 2002, during the Chinese New Year, very shortly before any signs of the large-scale and capital-intensive tourism boom started showing. Tuo River Town was very quiet and peaceful, an ideal getaway place for urban people to experience a slow and laid-back traditional lifestyle with mountain and river scenic views. But when I went back to Tuo River Town in the summer of 2005 to start carrying out my dissertation research, my impressions were much different.

#### **a. Physical Environment**

Since 2002, the first year that PATT began developing tourism resources, the number of tourists has increased remarkably. Fenghuang County is undeveloped, and its infrastructure and facilities are far behind the demands of the tourists which affects the local environment in negative ways, such as causing water pollution, air pollution from burning fossil fuels, overloading the infrastructure, and segregation of local residents.

The Tuo River offers attractive views for tourists. The old stilt houses near the river, together with the four scenic routes along it, are the tourist center of Fenghuang County. These old stilt houses have been rehabilitated and converted into lodges, which are the accommodation most desired by tourists. Also many restaurants are located along the river. The Tuo River is the soul of Tuo River Town; its high quality water is essential for activities such as swimming and boating. Local residents used to wash their clothes beside the river. The many restaurants and

lodges along the river now discharge large amounts of waste and sewage, which flow directly into the river, hastening the process of eutrophication.

The introduction of pollutants into the river is not only environmentally damaging but also economically disastrous for water-based tourist attractions. In the Tuo River, excessive weed growth makes the river difficult to navigate. PATT is concerned because of the effect on tour boats. PATT considered cutting the weeds, but the cost was too high. Even if the weeds were cut, they would grow again quickly. The only solution is for the local government to build a sewage system and water treatment plant to cope with the increasing waste from the tourism relevant activities. A local government official told me that this project was in progress in the summer of 2005. There is a dam and power station in the upper river. When the dam cuts the water flow to generate electricity, the lower river becomes even shallower. As a result, conflicts have arisen between PATT and the power station, according to the CEO of PATT.

The infrastructure in Fenghuang County is unable to cope with the intensity of tourist impacts, especially at peak periods. The results are not only pollution, but also power supply failures. The demands of tourism put a huge load on local electricity capacity. Family-owned hotels have installed air-conditioners and water heaters equipped with natural gas containers, which increase the use of the fossil fuels. During my stay in one of the riverside lodging, I observed frequent power outages. One night when I was on one of the busiest streets in downtown Tuo River Town, suddenly everything went dark because of a power outage. The number of tourists has also been exceeding the capacity of local accommodation. During peak periods, many tourists have to stay in lodging outside Fenghuang County. The head of the local tourism bureau told me, “Last year’s gold-weeks, there were so many tourists that I even had to let some stay at my house”.

Because of the overload on the infrastructure, the local government is planning to expand Tuo River Town into a nearby area. The new town is expected to be built before 2020. This is Fenghuang County's primary urbanization project. A new bus station and a new bridge<sup>1</sup> are already under construction as part of the new town project. The local government will expropriate large cropland areas from the peasants. The plan calls for the residents of Tuo River Town to be relocated in the new area, but they still may work or run their business in the old town, leaving their home in the new area every morning and coming back every evening from the old town. This commute will therefore increase the energy and their transportation costs (Register 2006). The spatial separation of tourist areas from the rest of the society will create social segregation, which means the mass of tourists will be surrounded by, but not integrated with, the host society. It will undoubtedly generate major impacts on the lives of local people. Only in downtown Tuo River Town, local planning authorities require new buildings along the riverside to conform to indigenous architectural styles and construction materials. The juxtaposition of buildings of widely different architectural house styles in many other local areas is both aesthetically unpleasant and economically unprofitable.

The local government made limited efforts to solve environmental problems. For example, the local Environmental Protection Bureau (EPB) began regulating traffic within the historic town to control air pollution. Two taxi companies bought the exclusive right to operate transportation in town. In 2003, the EPB banned outright 1100 motorcycles. One hundred taxis took the place of the motorcycles as the primary means of transportation for tourists. In addition, ten battery-powered buses are running in downtown. The EPB also adopted policies to regulate the entry of private cars. These restrictions reduced traffic congestion, noise pollution, and the

high cost of maintaining the old stone road in downtown. During my stay in Fenghuang County in 2005, this was the only positive measure carried out by the local government to mitigate the environmental problems. I interviewed the head of the local Environmental Protection Bureau (EPB), asking him what the bureau was doing about the negative environmental impacts of tourism development. His answer was disappointing. The EPB stopped monitoring the quality of water and air several years before, although this was supposed to be one of its basic duties. He said helplessly, “We just don’t have enough funds to do more. We have proposed that PATT should return one yuan from every tourist’s ticket payment for an environmental protection fund, but, you know, PATT of course isn’t willing to do so”. It is not clear whether the local government or PATT should be responsible for carrying out specific environmental measures. Because PATT pays a government tax and a fee for its monopoly, it ascribes this responsibility to the local government. Regardless of which party is responsible, both regard the cost of environmental protection as too high.

#### b. Social Environment

Apart from visible effects on the local economy and physical environment, the present model of tourism development has been contributing to socio-cultural changes in Fenghuang County, including changes in value systems, traditional lifestyles, women’s roles, community cohesion, and social tension. Original spontaneous hospitality has transformed itself into commercialism. I was in Fenghuang County in the early Spring of 2002. At that time, local people were very hospitable. Local people whom I picked randomly for interviews on the street often invited me to have lunch or dinner with their families. Much has changed since then. In the summer of 2005, a Hmong woman told me that if I wanted to take pictures of her, I must

either buy some of her knitted goods or pay her for the pictures. There are no public restrooms available on the streets for tourists. Many local households hang signs in front of their houses: “Bathroom, one yuan/ person”, charging tourists for using their bathrooms. Local itinerant vendors stop or even follow tourists to sell their crafts, or they solicit tourists to favor their family businesses, such as restaurants, guest houses, or boat tours.

Tourism to some degree has enhanced family and community bonds in Fenghuang County. At first, some people who had left town years before to seek employment in the cities have come back. They expect to find more opportunity back in their hometown due to the new tourism industry. They invest in small businesses with the money they saved for years working in cities, or they assist their families in running their guest houses or restaurants. For example, a woman told me that she migrated to Beijing several years ago and found a job there. Hearing about the tourism industry back in her hometown, she came back to help her brother and sister-in-law run their 38-bed guest house, which had been established two years previously.

Secondly, community bonds also are enhanced because local residents have united together against PATT and against the local government. PATT has leased the eight sites in Fenghuang County, and local residents no longer have free access to these tourism resources. Therefore, intense conflict has arisen between local people and PATT over the issue of tourism resource use. For example, sightseeing by boat is one of the most attractive entertainments for tourists. PATT has its own boat team and hired fifty local boatmen, but the tickets for it are expensive. The local boatmen, who are not hired by PATT, also are interested in this project, and they began to attract tourists to choose their boats by offering much cheaper prices, which negatively influenced PATT’s tours. PATT took it for granted that they should monopolize this business, since they paid the local government for the right to manage tourist resource for fifty years. Because they

were unable to prevent competition by local boatmen, PATT turned to the local government for help. With the effort of the local government, after negotiation, PATT finally agreed to allow the local boatmen to enter the central sightseeing part of the Tuo River for only three days a month. However, the rest of the month, they can only enter the upper and lower part of the river, where the views are inferior. This means that the local boatmen can't really benefit from the tourists. Their resentment is increasing towards both PATT and the local government.

With the flood of tourists, PATT is making more and more money out of their monopolization of the natural and historic-cultural resources in Fenghuang County. In response, Hmong villagers have organized themselves to develop their villages into new resorts, attracting tourists with their own village's beautiful natural views and Hmong traditional customs. These villages send representatives to Tuo River Town, where tourists assemble, to pass out flyers, and they stop tourists on the street, soliciting them to visit their villages. Other villagers stay at the entrance of the villages and sell tickets. The prices of these tickets are usually expensive, around \$100 yuan, and are not fixed. Village leaders are developing cooperative relationships with bus drivers, promising them a considerable kickback for each tourist they bring. The kickback is usually more than 50 percent of the ticket price. To entertain tourists, village girls dress up in Hmong costumes and perform traditional Hmong dances such as the Hmong drum dance. Because they lack capital, experience, and professional training in tourism management, the efforts of villagers failed to meet the expectations of tourists, and conflicts arose between the villagers and the tourists. The Tourism Bureau of Fenghuang County began receiving an increasing number of tourist complaints. Several tourists warned me, "Don't go to those places, they are not good. All the people there want is your money". On one hand, family and community cohesion is enhanced. However, on the other hand, the conflicts among PATT, the



local residents, the local government, and the tourists are becoming fierce. This was especially demonstrated in the case of Yellow Silk Village to be presented in detail in Chapter IV.

The role of local women is also changing, as some of them now take an active role in tourism. Formerly, women worked in the domestic arena – cooking, cleaning, raising children, and helping their husbands farm the land. Now, women provide services guiding tourists, staging traditional dance shows, renting out costumes<sup>2</sup>, selling souvenirs, and soliciting tourists to favor their guest houses or restaurants. During peak periods, women can make more money in tourism than in agriculture, which improves women’s status in the family. Crime rates have also increased. The presence of a large number of tourists with conspicuous money and valuables, such as cameras and jewelry, increases robbery. Many bars have sprung up during the past three years. Some tourists enjoy staying late, and getting drunk, which threatens local safety. My host family reminded me every morning, “Don’t come back too late. Be careful and be safe”. They told me that they missed the old days, when no one locked their doors at night.

## **Mapping Economic Benefit Distribution and Social Power**

### a. Tourists

#### *The Number of Tourists*

It is obvious that since 2002, the first year that PATT began the management of tourism resources in Fenghuang County, the number of tourists and the profit from the sale of tickets have increased remarkably. Compare the data of 2006 with those of 2001 (Table 3.1). The number of tourists increased more than 5 times, the gross tourism income increased more than 15 times, and the tourism ticket income increased more than 50 times mostly due to PATT’s high ticket prices charged to access the eight sites they leased from the county government.

Table 3.1: Tourism in Fenghuang County, 1996- 2006.

<b>Year</b>	<b>Number of Tourists</b>	<b>Percentage Increase</b>	<b>Gross Income from Tourist Industry</b>	<b>Percentage Increase</b>	<b>Income from the ticket sale</b>	<b>Percentage Increase</b>
<b>2006</b>	3,520,000	40%	\$146,543,210	116%	\$9, 876,543	45%
<b>2005</b>	2,520,000	33%	\$67,901,234	90%	\$6,790,123	28%
<b>2004</b>	1,890,000	76%	\$35,802,469	93%	\$5,308,642	56%
<b>2003</b>	1,080,000	21%	\$18,072,289	30%	\$2,168,675	20%
<b>2002</b>	890,000	55%	\$13,939,759	56%	\$1,807,229	838%
<b>2001</b>	576,000	101%	\$8,915,662	57%	\$192,771	
<b>2000</b>	286,000	37%	\$5,692,771	51%		
<b>1999</b>	209,000	23%	\$3,775,904	54%		
<b>1998</b>	170,000	21%	\$2,450,602	23%		
<b>1997</b>	140,000	17%	\$1,987,951	18%		
<b>1996</b>	120,000		\$1,686,747			

Sources: Data from 1996 to 2000 is from the Tourism Bureau of Fenghuang County; data from 2001 to 2003 are from the website of Statistic Bureau of Fenghuang County <http://www.hntj.gov/fhtj/index.htm>; data of 2004 and 2005 are from *Shuzi Fenghuang 2005*; data of 2006 is from the website of the People’s Government of Fenghuang County <http://www.fhzf.gov.cn/ly/ShowArticle.Asp?Articleid=2332>.

All the monetary values were converted from yuan to US dollars at the rate of 8.1yuan per US dollar.

In terms of the rapidly increased number of tourists and tourism income, there are at least two concerns: environment and benefit distribution. Environmentally, the question is how many tourists per year can the local ecosystem support, before putting too much stress on the environment? This is a matter of the tourism carrying capacity. According to Mathieson, “Carrying capacity is the maximum number of people who can use a site without an unacceptable alteration in the physical environment and without an unacceptable decline in the quality of the experience gained by visitors” (Mathieson and Wall 1982: 21). Others give a broader and more detailed definition: “Carrying capacity is defined as the capacity of the ecological system to support its functionality and its interrelationships with the economic system in sustainable manner overtime...carrying capacities in nature are not fixed, static, or simple relations. Actually, they are contingent on technology, preferences, structures of production and consumption, and on the ever-changing state of interactions between the physical and biotic environment.” (Machado, Schaeffer, and Worrell 2001: 410).

This is not an easy task, and there have been few such efforts to examine Fenghuang’s ecosystem carry capacity. Wang (2003) tried to calculate the carrying capacity of Fenghuang County’s major tourist attractions, including the eight sites. According to Wang (2003), the total annual tourist capacity is 1,140,000 persons, which was far exceeded by the number of Fenghuang’s tourists since 2004. Even though there are some questions on his measurements, undoubtedly the rapidly increasing number of tourists had put great pressure on the local ecosystem, such as the local environment’s absorptive capacity of waste and pollution. It suggests that the tourism development system may harm the local environment by going beyond its carrying capacity. One of the direct solutions is to control the number of tourists. But it would

not be easy to implement such limits because it would be contrary to the profit-seeking policy of PATT. The major part of the profit comes from the entry tickets sold for tourism spots. For PATT, increasing the number of tourists is the easiest and best way to maximize its profit, which at the same time also increases the threats to the environment.

The number of tourists has also been exceeding the accommodation capacity of Fenghuang County. The accommodation ability of Fenghuang County is relatively low, in comparison with the rapidly increasing number of tourists (Table 3.1 and Table 3.2). That is why during the peak periods many tourists have to stay in lodgings in other nearby counties. According to the official number from the Hunan Tourism Bureau (<http://www.hnt.gov.cn/goldenweek/News.aspx?area=433100&Id=261>), during the seven days of the National Day Holiday (October 1-7) in 2005, one of the two tourism golden weeks, the number of Fenghuang tourists was 25,000 per day, which far exceeded 7,870 available beds for tourist lodging in Fenghuang.

#### *The Characteristics of Fenghuang's Tourists*

Typical Fenghuang tourists frequently spend weekends and short holidays relatively close to their places of residence. Their motivation is the desire to escape the pressures of everyday urban living, to experience a change of environment, and to seek leisure outlets beyond the limits of the city. The colorful Hmong culture and the stunning natural views in Fenghuang County satisfy their desire for the enjoyment of rural scenery, open space, quiet and peace of mind, and the experience of exotic ethnic attractions. Besides budget travelers or backpackers and families on tour package, college students are a main part of the tourists, especially in summer.

Table 3.2: The number of beds of Fenghaung lodging VS. The number of Fenghuang tourists, 2003- 2005.

<b>Year</b>	<b>Number of Hotels</b>	<b>Number of Beds</b>	<b>Tourists</b>
<b>2005</b>	422 (339 family motels)	7,870	2,520,000
<b>2004</b>	289 (235 family motels)	5,700	1,890,000
<b>2003</b>	192 (146 family motels)	4,592	1,080,000

Source: The data of 2003 is from Tourism Bureau of Fenghuang County, and they were the numbers by November 30, 2003. The data of 2004 and 2005 are from *Shu Zi Fenghuang 2005*.

According to the survey conducted by the College of Tourism at the Hunan Teaching University in 2004 for PATT (CTHTU 2004), the tourists in Fenghuang were mainly middle and lower income classes (¥1000-3000 yuan/month). Most of them came from nearby cities in Hunan Provinces (about 54.96 percent) and cities in southwest China, like large cities in Guangdong Province, but a few came from other large cities like Beijing and Shanghai. The majority of them stayed in hotels and riverside stilt lodges in Fenghuang, and usually visited for 2 days, with a total expenditure between ¥500 to ¥2000 yuan (the transportation fee from their residence to Fenghuang was included). According to Zhou and Li (2005), in 2004 the average of expenditures per tourist in Fenghuang County was about ¥153 yuan (about \$19 U.S. dollars), and the average stay was 1.96 days. In 2005, the average expenditure of the tourists in Fenghuang had increased to about ¥230 yuan (about \$28 U.S. dollars). The relatively low expenditure was not surprising, given the income and origin of Fenghuang tourists. According to the local officials, the local tourism industry lacked the ability of attracting tourists to stay longer, and to spend more in local businesses rather than towards the PATT. This partially resulted from the overcrowding of the county's accommodations, services, infrastructure, and facilities.

#### b. PATT, the County Government and Local Residents

At first, I would like to give a general idea of how tourists typically spend their money in Fenghuang County. As an undeveloped poor minority area, and also at the early stage of tourism development, food and accommodation are relatively very cheap in Fenghuang, compared to other tourism resorts in China, especially during the off season. The peak periods are two short seven-day national holidays: one is May 1-7 (Labor Day Holiday), and the other is October 1-7

(National Day Holiday).

Tickets and lodging are the two most costly tourist expenditure. The benefit from the tickets totally flows to PATT. For the lodging, about 60 percent chose hotels,<sup>3</sup> and about 28 percent chose guest houses.<sup>4</sup> Among the 28 percent, 16 percent is for the riverside stilt lodge and 12 percent is for the normal guest houses (CTHTU 2004). The hotels are mostly owned by the outside investors. The riverside stilt lodges are owned by the local residents, but most of the owners rent the stilt houses to outside investors to run the accommodation business. Although about one third of the rental income flows to those local people who own guest houses and accommodations in the riverside stilt lodge, as local owners, they represent only a small portion of the residents in Tuo River Town. These owners also represent an even smaller portion of the whole population of Fenghaung County. Estimates of tourist expenditures show that the PATT and other outside investors, along with a few local people, are the main beneficiaries (Table 3.3).

It should be stressed that most of the tourists' expenditures, such as tickets, bar, and lodging, are concentrated in Tuo River Town, where the tourists are concentrated. This may create problems, as predicted by Mathieson and Wall (1982: 23) who in reference to tourism in general comment that "Host resentment is likely to be high in locations with a highly developed tourist industry but with only limited local involvement." This is also true in the case of Fenghuang County, for two reasons: 1) the employment opportunities for the local people provided directly by the PATT are very limited and poorly paid; 2) the local people who are directly benefiting from the tourism industry are a small minority of the residents of Tuo River Town, and an even smaller minority of Fenghuang County.

Table 3.3: Typical tourists' expenditures in Fenghuang, and the beneficiaries of their expenditures, 2004

Typical Tourist Expenditures		Beneficiaries	
Amount	Item		
¥200	Tickets to the Eight Sites	PATT	Outside Investors
¥250	Hotel	Mostly Outsiders	
¥50	Bar		
¥15-¥150	Family Motel	Local People & Outsiders	
¥100	Souvenirs		
¥80	Restaurant and Convenient Stores		
¥25	Transportation	Mostly Local People	
¥20	Ticket for Hmong Dance Show		
¥5	Renting Hmong Costume		

The expenditures are estimated averages, according to the information from the interviews, and from the survey conducted by PATT and Hunan Normal University on Fenghuang tourists in 2004 (e.g. Fenghuang tourist monthly income, duration of visit, accommodation choice, and expenditure). Hotel refers to the hotels invested by corporations, and family motel refers to rooms spared by local households to host tourists.



As of September 2004, there were only 256 employees of the PATT. There were 26 employees (not including the managers), working within the headquarter building of the PATT, most of whom were college educated with B.A. degrees and were from outside of Fenghuang County. The other 230 employees worked at the eight resorts as guides, ticket sellers, ticket inspectors, and boatmen, and were mostly local residents. These jobs did not require high education and were poorly paid. These are the employment opportunities created directly by the PATT (Table 3.4).

Someone might argue that there is still a positive side to the employment opportunity provided to the local people, especially in constructions. However, the positive side is less significant because the tourism boom is increasing land values in Tuo River Town, which attracts more and more builders and real estate agents to invest in building and selling houses. Former peasants, who are now leaving the land because of new developments in agricultural technology, or because of agricultural land being lost for tourism development, may only temporarily gain employment in construction. When construction is finished, many of these workers again join the ranks of the unemployed. Working conditions are also sometimes unsafe. The collapse of Tixi Tuo River Bridge in August 2007 (see note 1) was one of the worst bridge collapse cases in China's history. Despite earlier signs of quality issues on the bridge, the local officials and the contracted construction company sped up the construction process in order to finish the bridge and put it in use as a gift for the 50th anniversary of the establishment of the Xiangxi Autonomous Prefecture in the following month of September.

Table 3.4: Employees of the PATT, 2004

<b>Position</b>	<b>Number of Employees</b>	<b>Salary per month (yuan)</b>
White-collar in headquarters	26 (mostly non-local)	¥2,500
Guides	35 (local/non-local)	¥1,600
Ticket Sellers	17 (local/non-local)	¥1,000
Ticket Inspectors, Safe Guards	58 (local/non-local)	¥1,000
Sightseeing Boatmen	50 (local)	¥800
Trash Collecting Boatmen	6 (local)	¥600

Source: Interviews with the PATT.

According to the central government official investigation result released in December 2007 (Xinhua News Agency 2007), this was a manmade accident due to corruption and negligence. There were 24 local officials under arrest, including the governor of the prefecture, the chief of the prefecture road bureau, and the vice chief of the prefecture transportation bureau, as well as 32 others who were dealt with severely according to relevant party discipline and rules for government staff.

As the biggest outside investor, PATT receives the majority of the economic benefits. According to the contract signed in November 2001, PATT can monopolize the management of eight sites<sup>8</sup> in Fenghuang County for 50 years at the price of ¥0.83 billion yuan (about \$102 million U.S. dollars), which is paid in installments every year starting in 2002. During the first three years of its monopoly the gross income from tickets increased by 137 percent from ¥13.6 million yuan in 2002 to ¥32.2 million yuan in 2004. At the same period of time, PATT's deficit dropped dramatically from about ¥45.4 million yuan to ¥7.3 million yuan. The primary investment by PATT is in the rehabilitation of historic buildings. During the first few years, this investment necessarily was large, but after a few more years, capital expenditure will be small and much less will be required for daily maintenance. PATT is very optimistic that large profits will be realized in a few years (Table 3.5).

Table 3.5: PATT financial activities, 2002- 2004

	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Gross Income</b> (million U.S. dollars)	\$1.68	\$1.95	\$3.97
<b>Investment</b> (million U.S. dollars)	\$2.00	\$2.97	\$1.09
<b>Payment to the local government for the monopolization of management right</b> (million U.S. dollars)	\$5.15	\$3.12	\$3.39
<b>Tax</b> (million U.S. dollars)	\$0.12	\$0.08	\$0.39

Source: “Internal Financial Report of PATT”, converted from yuan to U.S. dollars at the exchange of 8.1:1.

What does the local government get? Does the local government receive as much as expected to allow it to also invest in the local development? The government would need to reinvest in the infrastructure and facilities. Most of the total of about \$102 million U.S. dollars for giving up the 50-years management rights to the eight sites and the annual tax, the local government needs. The government also needs to allocate a special fund for resettling some residents, as well as funds for solving environmental problems. Because tourism development in Fenghuang County is at the very early stage, the magnitude of all these costs is uncertain. The question is whether or not the economic benefits gained by the local government can solve all the problems caused by this kind of tourism development. It seems problematic, given the ecological and social impacts that are already occurring in Fenghuang.

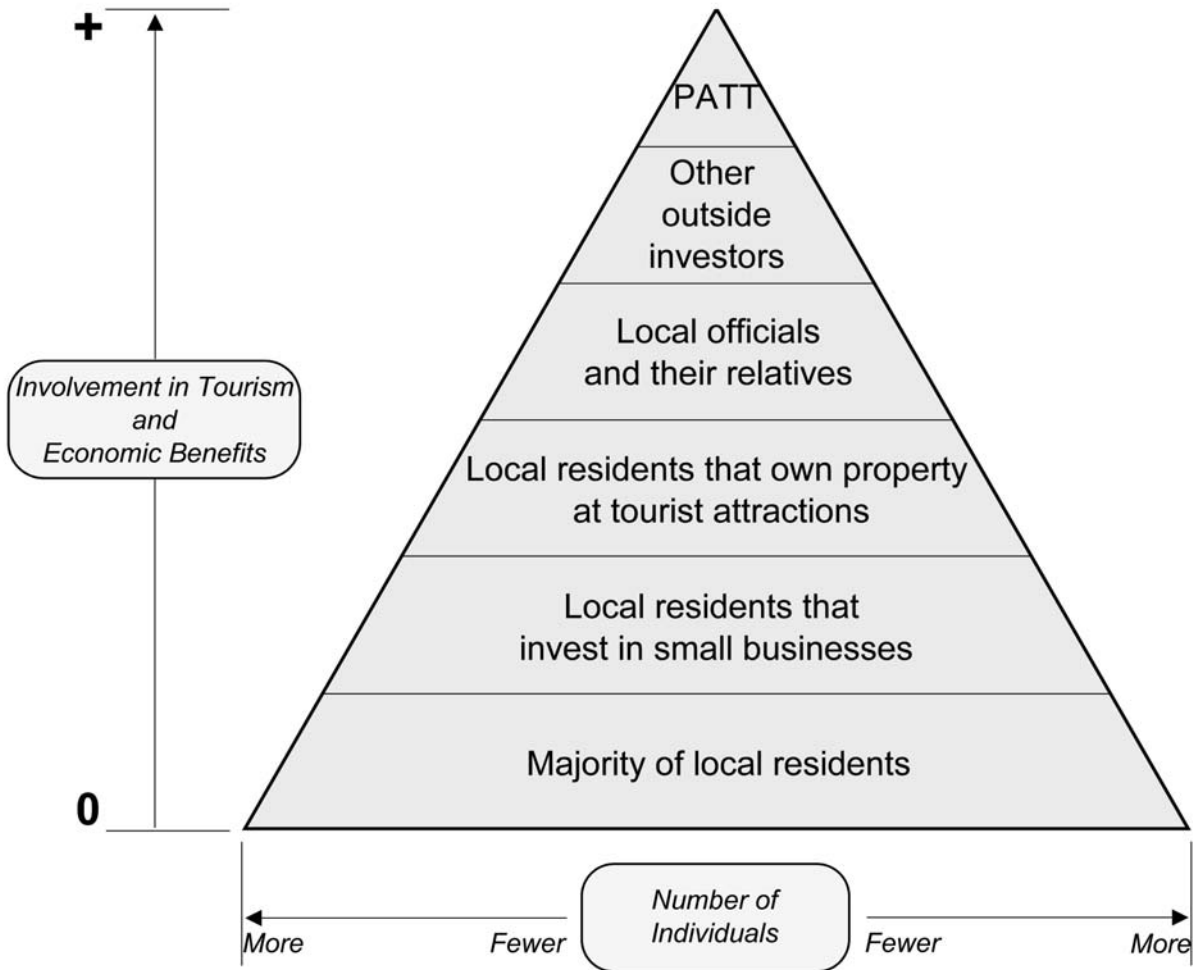
Besides the management of eight resorts, the PATT are not involved in other aspects of the tourism industry in Fenghuang. However, this doesn't mean that the local people are highly involved in those aspects. With the tourism development, hotels, bars and shops are booming. But most of these are owned by outside investors, who are attracted by the privileges provided by the local government such as low taxes. They are also of course attracted by the potential of the local tourism market, or they may just enjoy living in Fenghuang County temporarily. I interviewed a bar owner and other shop owners during my fieldwork in the summer of 2005. They visited Fenghuang the first time just as normal tourists, but fell in love with the place. They came back and used their savings to settle temporarily in Fenghuang. As owners of small businesses, they could make a living, and enjoy a relatively peaceful and leisured life.

In Fenghuang those who have more political power also gain more economic power. Some of the local people who are most actively involved in tourism are the relatives of local government officials, or even the officials who resign to go into the tourism themselves. Some

of the local people who have benefited from tourism are those who had migrated to cities to seek opportunities several years earlier. They then moved back to Fenghuang and invested the capital they had accumulated during those years in the local tourism industry, acquiring hotels, guest houses, restaurants, photo shops, and real estate.

The others who are benefited are those who were fortunate enough to own the old stilt houses by the Tuo River. These houses weren't considered to be valuable assets by these owners until the local tourism development began, since they were old, out-dated in style, and dangerous. Now the owners of these old houses find that they are a golden opportunities for them in the new local tourist market. Stilt houses above the river, with their unique local architectural style that integrate perfectly into the natural environment, have become the most pleasing attraction in Fenghuang. And the local government allocated funds to restore the old houses. Only a few owners run the riverside stilt lodges themselves, because they lack the necessary experience and capital. Instead, they rent the houses to other investors who turn them into guest houses. Although the rent is relatively low, compared to the income from running a guest house, it is still a considerable amount to the owners who were usually not rich, and most importantly, there is no risk for them (Figure 3.1). It is clear that since the tourism boom in 2002, the major economic benefits flow to the outside investors, especially through PATT to YDCC. The comparison between this and Fenghuang's social structure before its tourism boom discussed in Chapter 2, shows that the local social structure is changing, with the outside investors as an important new emerging class, and with other changes in social identities based on connections, political power, and wealth accumulation among local people influenced by tourism. This process in Fenghuang in some degree reflects the national social structure changes with China's market socialism development especially since 1992.

Figure 3.1: Tourism benefits pyramid, Fenghuang County



Leaders of both the county government and PATT claim that tourism provides both the incentive for conservation and the economic means by which the rehabilitation and maintenance of scenic areas and historic sites can be carried out, and that it would economically benefit the local people evenly. According to my research in the summer of 2005, however, I found these claims to be dubious, and this was confirmed both by my impressions of Fenghuang in 2005 in contrast with those in the beginning of 2002, by the data on the county government's revenue and financial expenditures (Figure 2.7 in Chapter 2), and by the following figures on per capital annual income of the local population (Table 3.6 and Figure 3.2).

From Figure 2.7 (in Chapter 2), we can see that the county's government's annual deficit (revenue minus financial expenditure) has been climbing especially since 2002. This demonstrates that at this stage, the investments needed in the county's infrastructure and facilities with the rapid tourism boom was far beyond the economic benefit the county government could get from the deal with YDCC. As indicated in Table 3.6, the disparity between rural and urban per capita income is increasing, and nonmonetary subsistence activities alone cannot possibly fill the gap between them. According to the data displayed in Table 3.6, it can be calculated that per capita net income of the local non-agricultural increased at an average rate of 16.2 percent compared to that of the local agricultural population, which increased at an average rate of 9.6 percent from 2001 to 2006. Looking at Figure 3.2, from 1995 to 2001, the percentage rate (agriculture/non-agriculture population income per capita) generally increased, closing the income disparity between the two populations, and in 2001, it reached the peak at 38 percent; then from 2001 to 2006, it showed a trend of decrease from 38 percent to 29 percent, widening the income disparity. From 2001 to 2002, when it was the first year of Fenghuang's tourism rapid development, it dropped the most by 8 percent (from 38 percent to 30 percent).

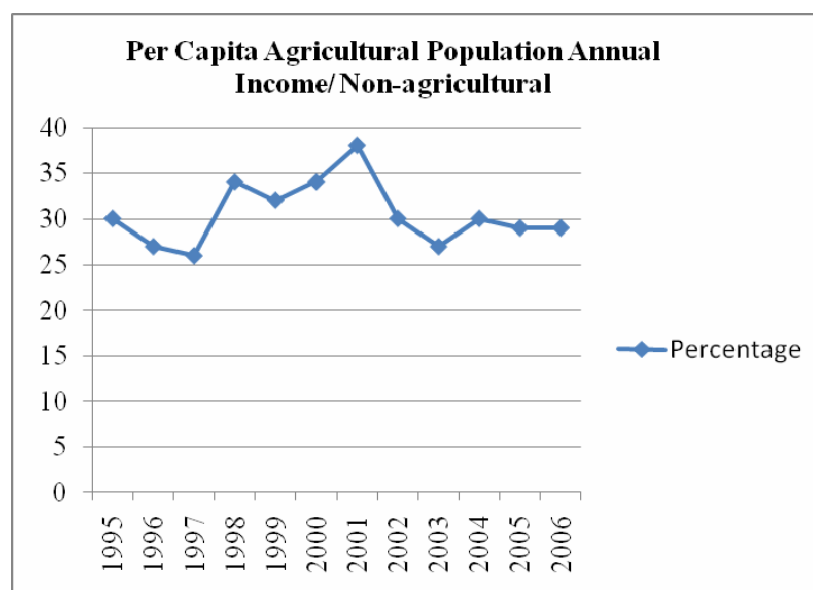


Table 3.6: Per capita annual income of the local agricultural population and the local non-agricultural population

Year	Per Capita Annual Income (yuan)		Agricultural income as a percentage of non-agricultural income (see Figure 3.2)
	Agricultural (the majority of total population)	Non-agricultural (the minority of total population)	
2006	¥1,984	¥6,895	29%
2005	¥1,768	¥6,010	29%
2004	¥1,590	¥5,345	30%
2003	¥1,354	¥5,016	27%
2002	¥1,274	¥4,302	30%
2001	¥1,254	¥3,316	38%
2000	¥1,219	¥3,607	34%
1999	¥1,190	¥3,762	32%
1998	¥1,144	¥3,358	34%
1997	¥1,047	¥4,031	26%
1996	¥948	¥3,471	27%
1995	¥772	¥2,570	30%

Source: The data from 1995 to 2004 are from Fenghuang County Statistical Yearbook 1995-2004; the data of 2005 and 2006 is from the website of Statistical Bureau of Fenghuang County.

Figure 3.2: Agricultural population per capita annual income as a percentage of non-agricultural income, 1995-2006.



According to the analysis article by the Statistical Bureau of Fenghaung County<sup>5</sup>, the primary concerns of the local residents, especially in Tuo River Town, since its tourism boom began are: increasing commodity prices (especially food, fossil fuel, and real estate); increasing education fees; tourism development issues (especially the environment); and increasing income inequality.

Notes:

1. This bridge, Tixi Tuo River Bridge, collapsed on local time August 13, 2007. According to the official numbers, sixty-four people were killed and twenty-two were injured. Most of the people who were working on the bridge when it collapsed were Fenghuang local peasants, and the others were migrant workers from nearby rural regions. They were temporally recruited by the construction company, and made limited day-wages. This bridge, a 328 meters- long and 4-arch stone construction, is part of the Feng-Da Highway which connects Fenghuang County with the newly constructed Daxing Airport in Tongren County of Guizhou Province, adjacent to the west of Fenghuang, also passing through the Southern China Great Wall and the Yellow Silk Village, the two of eight resorts leased to YDCC (See Figure 2.1). As one of the most important urbanization projects since Fenghuang's tourism boom, this highway started to be built in 2003 as the "Tourism Gold Road". In 2005, while I visited Fenghuang, the bridge was under construction.

2. One of the tourists' favorite souvenirs is to dress up in ethnic groups' costumes and have their pictures taken, as a part of experiencing the exotic minority cultures.

3. It refers to the hotels invested in by corporations.

4. It means a local household spares several rooms to host tourists, and the tourists will live with their families.

5. Accessed on line in July 2007 at the website of Statistical Bureau of Fenghaung County

<http://www.hntj.gov.cn/fhtj/htdocs/XXLR1.ASP?ID=5855>

## **CHAPTER FOUR**

### **TWO VILLAGE TOURISM DEVELOPMENT MODELS**

#### **Yellow Silk Village vs. Gouliang Hmong Village**

I revisited Fenghuang in the summer of 2006. This chapter presents the findings during this revisit, a year after my first visit. It examines two tourism development models observed in local villages. One was collectively organized tourism, represented by Yellow Silk Village; and the other was elite-directed, represented by Gouliang Hmong Village. Both of the villages belong to Ala Town, about 15 miles away from Tuo River Town (see Figure 2.1 in Chapter 2). Yellow Silk Village had 97 households with a total population of about 475, the majority of which were Han Chinese. The ancient rampart around Yellow Silk Village was one of the eight sites leased by the local government to YDCC. The local government required the villagers to move out, because YDCC was interested in investing to restore the village to what was like hundreds of years ago to attract more tourists. Unwilling to leave, the villagers organized collectively to fight for the use of their tourism resources, despite local government pressure. Gouliang Hmong Village had 402 households with a total population of around 1,986, the majority of whom were Hmong. Unlike Yellow Silk Village, it had no direct interaction with YDCC/PATT, and it was taking advantage of the increasing number of tourists in Fenghuang to develop its own tourism, directed by the village's economic and political elites, with local government support. Although there are some similarities, such as the overall tourism development context and tourism impacts on women's roles, the ethnography development models of the two village tourism highlight differences in their management practices, benefit distribution, and social conflict generation. These case studies also identify the local stakeholders, personal networks, and power structures involved in each village, which produce very different socio-economic impacts on local people (Table 4.1).

Table 4.1: Comparison of Two Village Tourism Development Models

		<b>Yellow Silk Village (Local Government's "Headache")</b>	<b>Gouliang Hmong Village (Official "Model")</b>
<b>Differences</b>	<b>Population Number</b>	475	1,986
	<b>Households Number</b>	97	402
	<b>Ethnicity</b>	Han	Hmong
	<b>Motivation for Developing Tourism</b>	Under outside pressure, struggle for its own benefits against YDCC/PATT	Spontaneous, eager to escape poverty
	<b>Managers of Tourism</b>	Collective efforts of all households	A few village elites
	<b>Investors</b>	37 households	One rich villager and the county government
	<b>Tickets Price</b>	20 yuan	88 yuan
	<b>Benefits Distribution</b>	Relatively egalitarian	Concentrated on the few elites
	<b>Official Support</b>	No	Yes
	<b>Internal Conflicts</b>	Few	Very intense
	<b>External Conflicts</b>	Very intense, with both the YDCC/PATT and the county government	Few
<b>Similarities</b>	<b>Location</b>	Both of the two villages belong to Ala Town, where is about 12 miles far away from Tuo River Town,.	
	<b>Tourism Development Context</b>	Since 2002, the tourism market of the county has been successfully promoted by PATT. As a result, more and more tourists are attracted there, which is being taken advantage of by the local residents to develop new resorts to share the tourism market with PATT.	
	<b>Major Tourism Profit Source</b>	Most tourism income is from ticket sales. Besides, some villagers benefit from their small businesses like restaurants, and selling souvenir inside the villages.	
	<b>Tourism Impacts on Women's Roles</b>	Tourism development gives more chance for women to contact the outside world, which opens their minds. It provides more opportunities for women to make money. With women's financial status improved within a family, their influence on other aspects has improved too, even beyond the domestic area.	

a. Yellow Silk Village: Local Government's Big "Headache"

Yellow Silk Village was first built in 687 A.D. during the Tang Dynasty. The stone architecture added around 1700 A.D. during the Qing Dynasty has been well restored. The ancient rampart around the village is one of the eight sites leased by the county government to YDCC since 2002. Its circumference is more than 600 meters long (east to west 153 meters long, and north to south 190 meters long), and the walkway on top of it is 2.9 meters wide, with battlements and parapets installed. It has a total of three gates in east, west, and north walls, with arches over the gateways. The village's layout inside the rampart still resembles what it was like in the Qing Dynasty (CACP and PGFC 2005). In order to rebuild the whole village to what it was like hundreds of years ago to attract more tourists, the local government required the villagers to move out and allocated land to construct apartment complexes to resettle them in the urban area of Ala Town. As compensation, the local government promised to give each household ¥350 yuan per square meter, which was paid by YDCC through PATT.

In the summer of 2005 when I first visited Yellow Silk Village, about two thirds of the total of 97 households had moved out. There had been disagreement among them over whether to move out or not. Basically, the rich villagers didn't want to move out, because they had already built their new houses within the village, and it would be safer to stay in the village rather than moving to the urban area of Ala Town. The ancient rampart around the village provided the natural safeguard to prevent robbery. However, the poor villagers wanted to move out to live in the new houses provided by the government rather than their own shanties in the village. In either case, it was hard emotionally for them to abandon where their family had lived for hundreds of years, and to move away from their crop lands and old lifestyle, just like the old Chinese saying "Gold house, silver house, no better than my own bunkhouse." The remaining

30 households refused to move because they thought the compensation was too low. In the summer of 2006, a year later, I was surprised to find that some villagers who had moved out the year before had moved back, or just commuted daily between their new houses in the urban area and the village to do business with tourists.

The villagers felt that the compensation was too low, and it was not fair for the county government to “sell” their village to YDCC, but not let them share the benefits. Therefore, they decided to fight for their own benefits. Since YDCC leased the management rights only to the rampart around the village, they organized to sell tickets to tourists at the opposite side of the village entrance from where PATT was selling tickets. A villager who served as my guide said indignantly, “They are just a bunch of outsiders, how can they beat us. We need to unite together to strive for our own benefit.” The presence of two ticket booths and two different kinds of tickets confused tourists. The villagers raised funds to rebuild their temple and pavilion inside the village, which were low quality as tourist attractions because of the villagers’ lack of funds and experience. They appointed their own guides to show their customers around, except for the ancient rampart leased to PATT. Unaware of the situation, many tourists who wanted to see the rampart bought the wrong ticket from the villagers rather than the ticket sold by PATT. Later, when they found out that they were not allowed to walk on top of the rampart, they were really upset. In order to make the costumers happy, the villagers who served as guides sometimes would sneak onto the rampart with the tourists. Thanks to their familiarity with other access routes, they could manage to avoid the guarded entrance and exit to the rampart set by PATT.

PATT was angry with the villagers, but unable to control the situation. They turned to the local government for help. I remember in the summer of 2005 when I was interviewing the CEO of PATT, and he answered a call on his cell phone, telling the caller, “We don’t want to deal with

the residents in Yellow Silk Village any more. If the government can't take good care of it as soon as possible, we will then have to cancel our investments here.” Hanging up the phone, he told me the caller was the county's head. It seemed that PATT was more powerful than the local government. Until the day I left Fenghuang County, the local government was still trying to persuade the villagers to move out. However, when I returned in the summer of 2006, it seemed that this situation had not changed much, because even more villagers were coming back to the village. The villagers believed that the government had appropriated part of the resettlement fund provided by YDCC, and would not leave until their request for more benefits was met. They were unwilling to allow the village's tourism resources to be monopolized by PATT.

Neither the county government nor PATT could do much to change the situation. The villagers were united strongly through a relatively egalitarian cost sharing and benefit distribution system, and democratic management. A total of 37 households had invested both money and manpower. Each household invested ¥4,000-5,000 yuan to construct the temple, pavilion, ticket selling booth, etc, and sent one household member to be on the committee doing the daily work as ticket seller, tourist guide, and reception and cleaning staff at the temple, etc. The committee chair was the overall manager, but was not paid more than the others. I chatted with the village head's wife, who had volunteered to be the committee chair. She complained, “It wasn't easy for me to be the chair. One day, someone was supposed to be at the temple at 8 in the morning, but didn't show up until 8:30. I told her to be on time in the future, and she was upset. Probably she thought that I was too bossy. But what am I suppose to do? I have to make sure everyone is responsible for their duties. This is our own business. I am not doing this just for myself, and I am not paid more by doing this.” But she didn't worry about this too much. “I know she will understand later and we will be fine again. So far, I am getting better and better at



doing this,” she told me proudly, and showed me her employee's card hanging on her chest with her name, picture, and the name of the business “Zhijin Garden Joint-Stock Company, Yellow Silk Village, Fenghuang County.” “Zhijin Garden” was what the villagers named the temple and pavilion. The county government finally licensed this business, since they decided that they could not stop the villagers and force them to move out in the near future anyway, it might be wiser to give the approval and tax them. The tax fee was ¥200 yuan per month.

The majority of ticket income was distributed evenly to these 37 households every day, and each of them earned a net average of about ¥700 yuan per month. However, the rest of the 60 households who did not invest in this business were not excluded from the benefits. These 60 households were divided into 4 groups. The remaining small part of the ticket income was given to the 60 households in the following way: every week one of the four groups received the money in rotation, so each of the four groups benefited once a month. For these 60 households, if they had time, they could also take tourists to visit the village. These visitors did not need to buy a ticket, but could pay this villager directly in cash as a guide fee, usually ten yuan (half the ticket price). The villager did not keep the cash, but gave it to the village production team, and benefited by getting some points. Cash made by this way was saved as a fund for the village's elementary school. The person who earned the points could expect to receive gifts like fruit or meat from the village production team. Therefore, every household benefited either directly through cash or gifts, or indirectly through their children's primary education.

Before the villagers started this tourist business, they made a living by planting crops, and by raising pigs and chicken. Every household earned only about ¥300 to 400 yuan in cash a year by selling their surplus production, and could only afford to eat meat once every one or two months. Now, every household received almost ¥1000 yuan in cash a year on the average from tourism

overall (primarily from the tourist tickets, plus souvenir and snack selling, etc.), and could eat meat at least once a week. Women were the major contributors to the increase in household cash income through their active involvement in the village tourism.

Women's status improved within the household. They were managing the village's tourist business since their husbands either needed to work in the agricultural fields or had already left the village to look for wage employment in cities. Women became the main source of cash for a household, which was making them able to speak louder than before. One woman told me, "now my husband doesn't talk to me as rudely as before. He respects me more than before. I make money myself more and faster than he, and I don't have to ask him for money like before, when I want to buy anything for the household." Another woman continued, "that's right, I don't have to let my husband be in charge of the money, and I can keep it to myself. Before, when it was market day, I had to ask my husband for money to go to market. He always asked in detail what I would buy, and never gave me as much money as I asked for, which was really annoying. You know what, now I really enjoy buying anything I like for the family or even for myself every time I go to town. He doesn't have the guts to boss me around anymore. Hey, I am making more money than him." Men were feeling more pressure than ever. Experiencing more and more interaction with the outside metropolitan world through tourism, the village women's criterion on what constituted a "capable" husband was changing from "good at field work" as a traditional value to "good at making cash." They told me that capable men were those who were good at making cash, such as finding wage employment or doing business in cities or towns, only shiftless men still stayed in the village working in the fields.

The day before I left the village in 2006, I asked the villagers whether they were still considering moving. They told me that it depended on the price that the government and PATT

would agree to pay them. Also, whether to sell or rent the “Zijin Garden” to PATT would be another issue worth their careful consideration.

b. Gouliang Hmong Village: Official Tourism Development Model

Although it is located in the same township, Gouliang Hmong Village is more remote and also poorer than Yellow Silk Village. Like Yellow Silk Villagers, Gouliang Hmong Villagers mainly made their living by growing paddy rice, corn, and sweet potatoes, and raising pigs and chickens. About 170 villagers had migrated to be wage-employed in cities. There are 402 households with a total population of 1,986. They were generally grouped into three levels according to their economic situation as follows: 1) less than 20 rich households with savings of more than ¥10,000 yuan; 2) about 10 households under China’s poverty line (¥625 yuan annual gross income for rural residents) whose living absolutely relied on the government; 3) the majority households were in between, and they could just support a basic living. Ma, Long, Tian, Yang, Wu, and Tan were the major family names of the Hmong villagers. Because it was one of the poorest villages in this region, the prefecture government had invested in a fireworks factory to help reduce its poverty. There were about 180 villagers working at the fireworks factory. The village communist secretary was put in charge of the factory. Originally, the factory was a collective property for the whole village. Later, somehow, the village communist secretary contracted the factory out, but never gave the annual contract fees back to the village, and this had been a source of conflict in the village.

Eager to escape poverty, the village began receiving tourists in 2000, and established the Gouliang Hmong Performance Show Team. From 2000 to 2004, tourism was contracted to the village production team as a village enterprise. The manager was again the village communist

secretary. At first, there were only a few tourists, and they didn't need to buy tickets to get into the village. They simply paid to watch performances. Due to the unstable number of tourists, the show had no fixed schedule: someday there were no tourists at all, some days there was only one performance for only a couple tourists, very rarely there could be several performances a day for more than one hundred tourists. The income from tickets for the performance was distributed to the performers irregularly, varying from ¥5-20 yuan, far less than needed to cover the returns promised by the village communist secretary. Also because of the firework factory issue, the villagers did not support the village communist secretary, even though they were eager to promote tourism as the way to help them end poverty. There was a deficit of ¥20,000 yuan during the secretary's management. Because of this he was forced to apply for a loan from the local bank after failing to borrow money from a few rich villagers including his own cousin who made their money by doing business in outside cities.

Tourism development did not seem to be very promising to Gouliang Hmong Villagers until the local government and YDCC jointly developed large-scale tourism development in the county. Thanks to the capital-intensive marketing promotion and investments by YDCC/PATT in the county, there were now more tourists than ever. Because of its relationship with the county government this village was much "luckier" than Yellow Silk Village. It had no conflict of interest with PATT or the local government. With more and more local Hmong villages self-organizing to develop tourism, the county government decided to choose one village to support to be an official "model" to show their political performance to higher officials. Gouliang Hmong Village was lucky enough to be supported as the official "model". The county's propaganda bureau had devoted considerable effort to promote this "model village" to the tourists in Tuo River Town. In order to learn from other successful tourism development cases

the county's Tourism Bureau had organized a tour for a few officials and local people, who were the crucial personnel involved in Fenghuang's tourism planning and development. The tour included the well-known ethnic tourism towns in Yunan Province such as Lijiang and Dali. One person from Gouliang Village was included on the tour. The county's Ethnic Affairs Commission also allocated about ¥200,000 yuan to help build an entrance gate in Gouliang Village, as well as parking lot, performance ground, and a paved road since 2004. The vice director of the county's Ethnic Affairs Commission Office, told me that they planned to invest ¥100,000 yuan more the following year. Curious about why this village was preferred over any other villages to be supported as an official model, I asked for further explanation. The local officials listed several reasons for their choice, pointing out Gouliang Hmong Village's large population, as well as its strong Hmong culture, its proximity to the two major tourist attractions, the "Southern China Great Wall" and Yellow Silk Village, etc. However, the villagers' answer was quite different: it had a strong tie with the county government because several officials were originally from this village.

After several years of unsuccessful management by the village communist secretary, the villagers were eager to find a better way to develop tourism. Facing a large deficit and no support from the villagers, the secretary gave up his interest in the business. In 2005, the village's tourism resources were contracted out to one rich villager, who was called "Boss Ma" by other villagers. In rural China, "Boss" as a label is used in front of the family name to refer to wealthy people. Boss Ma had made considerable money by doing business in cities when he was young.

Although he had money, Boss Ma had no tourism management experience. He sought an experienced person to help him to manage the business before he signed the contract, and soon

selected Tuanzhang Long (“Tuanzhang” in Chinese means the head of troupe, not his actual first name), one of the villagers, as the ideal candidate. Tuanzhang Long had served in the army, and later had worked in various businesses in other cities since his youth. Now he was returning to Gouliang several years ago. People with army experiences were considered by fellow villagers to have a reputation for capability, insight, and discipline. Tuanzhang Long told me that when Boss Ma contacted him and asked for help, he and his wife were doing business selling souvenirs to tourists in Yellow Silk Village. Boss Ma talked him into this, “I will contract it only if you help me. I have money, and you have knowledge. We can be a good team.” So Tuanzhang Long moved his family back to his home village, quitting the business in Yellow Silk Village. He was placed in charge of tourism management, and became the head of the Gouliang Hmong Performance Show Team. Therefore, this village’s tourism development was transformed from a more collective enterprise owned by the village production team directed by the village communist secretary into a private business, now contracted and invested in by Boss Ma, and directed by the manager.

During my stay in this village, unfortunately, Boss Ma went to the hospital in Jishou City, the capital of the Xiangxi Autonomous Prefecture because of his health. He did not plan to return any time soon, because he also had another house there. I was not able to meet him, instead I interviewed Tuanzhang Long, who showed me around and told me what he had done for this business. Since 2005, the village started to sell tickets at ¥88 yuan to the tourists at the village gate to allow them to watch the Hmong dance performance and to visit the newly opened “Ancient Ghost Pond.” Swain (2002) notes that such commodification of the identities of peoples and places may erode territorial integrity and cultural differentiation; at the same time, territorial myths or signifiers may be reinvented to support ethnic assertions of diversity.

Promoted as the village's legendary site, the "Ancient Ghost Pond" was actually a small lake with a tiny waterfall surrounded by mountains, about 40 minutes walk from the village center where the performance ground was located. Boss Ma invested money, and the manager organized villagers to construct an elevated path with wooden boards and steel tubes above the lake in the lower part of the mountains. The strategy was to combine Hmong culture and natural scenery to attract more tourists. The combination of experiencing Hmong culture and sightseeing does sound more attractive, but actually the village was very underdeveloped in both tourist facilities and services. A typical one-day tour of Gouliang Hmong Village included: young boys and girls in Hmong costume welcoming the visitors in their traditional ways at the newly built "traditional" village gate, with Hmong drum playing, or "enforced" drinking of "road-block wine" (a Hmong homemade rice liquor) accompanied with Hmong singing; a performance show; a visit to the "Ancient Ghost Pond." Visitors also would have free time to look around, have a taste of local food as lunch and snacks, and buy souvenirs.

The highlight of the one-day tour is definitely the performance show, which was scheduled once or twice daily, depending on the numbers of tourists that day. Other activities work around the performance schedule. To improve the quality of the performance, Boss Ma updated the stereo system, and hired a choreographer from Changsha City to create new shows. The show was generally divided into three kinds: music and dance, acrobatics, and games. With the guidance of this professional choreographer, dances were based on adjusted, entertaining staged dances, reflecting Hmong daily life such as playing with water buffalo, working in the field, courting scenes, and wedding rituals, etc. The acrobatics were very local and ethnic, including the Hmong's nationally-known "Bare Feet Climbing Knife Ladder" (the rungs on the ladder were knives), "Bare Feet Walking through Fire Board", and "Eyelid Lifting a Bucket of Water",

etc. Unlike the dance shows, this part of the show could only be performed by two villagers who received training from their Hmong Shaman master. The last part of show was interactive games with tourists, such as the bamboo dance and singing competitions, during which participation was expected of tourists. In the bamboo dance, the tourists were encouraged to go join the dancers, and the dancers taught them how to feel the rhyme in order to dance through moving bamboo sticks without getting their feet struck. In the singing competition, tourists competed singing with the performers, and the losers were forced to drink wine, or their faces were painted black with charcoal.

According to some anthropological interpretations of commercialized ethnic tourism generally, as the tourist's desire for an authentic experience begins to penetrate daily life in ethnic communities, a separate "tourist sphere" begins to emerge in which authenticity becomes "staged" by villagers for tourist consumption. As this "tourist sphere" becomes increasingly separate from the daily life of the community, staged attractions become increasingly contrived (MacCannell 1973; Silver 1993; Cohen 2001). Disagreeing with other scholars' opinion of the implicitly inauthentic nature of staged display, Oakes (2006) argued that the obvious separation of the "tourist sphere" begins to dissolve as the community itself becomes thoroughly transformed by tourism. However, in Gouliang Village this was not the case: In regard to space, except for the "Ancient Ghost Pond," (which was not a residential area), tourist activities were concentrated at a small area close to the village entrance gate and the tourist vehicle parking lot. The center of tourist activities was the round performance ground, which was surrounded by two large souvenir shops, one restaurant, and a few small souvenir, drink, and snack stalls. The general tourists were not likely to get the chance to go around the rest of the village, either because they did not have enough time, or because they were more attracted by the concentrated



stage display, rather than by the villagers' real every day life. There were approximately 100 villagers employed in village tourism, out of the total population of 1986. This included about 50 in the performance team, 10 selling souvenirs, drinks and snacks, 7 household restaurants, and 20 working at the "Ancient Ghost Pond." The distribution of the benefits from the tourism was very uneven. The tickets were sold at ¥88 yuan each, ¥75 yuan of which were paid as a kickback to the bus drivers and/or tourist guides who brought the tourists to the village. The remaining ¥13 yuan per visitor was the gross earnings, from the total of which Boss Ma gave ¥200,000 yuan to the village every year as a contract fee. He also gave out monthly salaries (varying from some ¥200 yuan to ¥1,000 yuan) to each of the 50 members of the performance team and the 10 boatmen working at the "Ancient Ghost Pond." The manager replied to me that Boss Ma's pure profit was more than ¥500,000 yuan in 2005. When I asked him whether there was any form of redistribution of this profit to the other villagers, the answer was "no".

Because of this very unequal distribution of benefits and power, conflicts within the village were tense, the core of which was the village communist secretary. Village officials include the head, the communist secretary, the treasurer, and the director of women's affairs in charge of family planning. Only the village head and the communist secretary had real power, and the latter was more powerful than the former, according to China's particular political hierarchy. These political elites could take advantage of their political power to gain economic benefits. The village communist secretary's embezzlement at the fireworks factory was a typical case of personal misuse of collective property. A few individual households were earning their own tourist-related incomes from the sale of souvenirs, or had managed to establish restaurants, but the owner of the village's only formal restaurant was his cousin. Of the two biggest souvenir shop owners, one was the secretary's daughter, and the other was his daughter-in-law.

The villagers gossiped about the secretary's strong social networks with the county government. The village head was the other powerful man, and I was surprised to find out that he no longer lived in the village. In 2002 he built a three-story cement house and opened a construction material shop on the first floor in the urban area of Ala Town. He also built a brick factory, hired four people, and started a family business. He was elected to be the village head two years before. He spent most of his time in the urban area of Ala town to take care of his business, only returning to the village when necessary to conduct his duty as the village head. During my stay in the village there was intense conflict between the communist secretary and other villagers. While I was interviewing the village head in his shop, someone stopped by. It was the former village head, and he came to discuss how to organize the heads of eight production groups, the former and current village officials, the villagers who were communist party members, and the villager representatives to have a formal meeting to confront the village communist secretary on the issue of his embezzlement of the fireworks factory.

### c. Comparisons

This comparison of the two villages' tourism development helps demonstrate why Fenghuang county government's current program of capital-intensive growth as a means of anti-poverty in rural areas is not empowering these marginalized people, but is instead unintentionally making the rich even richer. It suggests that the county's experiment with more liberal policies to stimulate economic growth might be failing. Gouliang Hmong Village, representing Fenghuang County's self-organized tourism development relatively independent from YDCC, was developing its tourism under elite-direction; Yellow Silk Village, a special case because of its direct conflicts of interest with both YDCC and local government, was developing its tourism

collectively by the villagers. However, ironically, Yellow Silk Village was seen as the local government's big "headache", and its villagers have had to fight for their benefits on their own against pressure from both local government and the outside metropolitan company. In contrast, Gouliang Hmong Village is supported by the government as the official "model", with the benefits disproportionately concentrated among a few village elites.

### **Studies of Other Ethnic Tourism Projects in China's Peripheries**

Through the 1990s, tourism development projects were increasingly found in ethnic village throughout China's peripheries. Oakes's (2006) article presented a group of cases of villages tourism modeled as "theme parks". In 1994, while traveling across Hainan Island, Oakes visited the Li minority villages of Fankong and Fanmao, which at that time had recently been transformed into small theme parks. According to Oakes (2006), the villages contracted with a local tourism development company that was founded by an entrepreneurial Li from the same region, and turned villages into displays of themselves for entry fees. Much alike the Gouliang Hmong Village in Ala Town, Fenghuang County, they featured elaborate front gates resembling water buffalo horns, and they also had model houses displaying the everyday objects of village agricultural and ritual life, including simple farming implements, woven baskets, textiles and other crafts, and culinary tools.

The Dai village of Manchunman, in Yunnan's Xishuangbanna Autonomous Prefecture, after several years of informally receiving an increasingly steady stream of tourists, began in 1993 to construct displays replicating their own houses for tourists to view (Yang et al. 2001). By 1995, they had turned their village into a stock-sharing corporation, which was different from the elite-directed model of Gouliang Hmong Village but more like the egalitarian model run by the

Yellow Silk Villagers. Dai villagers charged an entrance fee, and built archways to various cultural and scenic displays throughout the area. They also created a public market for the sale of ethnic goods. Like Gouliang Village's performance ground, they built a large Bamboo Exhibition Hall, where they arranged song and dance performances upon request. According to Oakes, "They were so successful—with each household earning between 1,300 and 3,000 yuan from tourism annually", but that "they attracted the attention of a company from Guangdong which negotiated to transform the whole area, including several surrounding villages, into a vast ethnic leisure resort". As Oakes noted, "Manchunman's villagers became employees of a tourism industry they no longer controlled, displaying themselves for a small share of the company's profits" (Oakes 2006: 167). Unlike the Yellow Silk Village case, the Guangdong company did not exclude the Manchunman's villagers from the tourism benefits even though they gave them only a small share.

Overseas Travel Corporation (OTC), the Guizhou's largest travel agency, invested substantially in Heitu and Changlianggang Hmong villages in central Guizhou. OTC was interested to provide tourists "create comprehensive, on-demand ethnic cultural experiences". OTC had the support from the county's Ethnic Affairs Commission, which was eager to develop tourism as an instrument of poverty-relief. The two Hmong villages were selected by OTC according to "a set of criteria including proximity to the provincial capital, proximity to a major highway, scenic setting, ethnic 'purity', and enthusiasm of the villager themselves (Oakes 2006: 183). This is exactly how the Fenghuang's County's Ethnic Affairs Commission chose Gouliang Hmong Village to develop as the county's official tourism development "Model", but they funded it themselves without outside investors like OTC. However, the majority of Gouliang Hmong Villagers were neither involved nor benefited from the village's elite-directed tourism

development. In contrast, the villagers in Heitu and Changlinggang “were far from passive in this process; many local leaders throughout the region actively promote their villages to their local ethnic affairs authorities or to travel agencies. In Heitu and Changlinggan, OTC and the county nationalities affairs office had invested in parking lots, new toilets, improved performance squares, ‘traditional’ village gates, and costumes for performing villagers. Along the highway signs were installed: ‘Heitu/Changlinggang Miao Stockade Ethnic Customs Tourist Site’” (Oakes 2006: 183).

Swain’s (2002) account of the tourism development based on Stone Forest as the major tourism resource in Lunan County showed a promising model. The case of Lunan County illustrates patterns of accommodation between state and society in the reform era. Stone Forest is one of the most well-know tourist sites in Yunan Province. According to Swain, “the local Communist Party has been central in economic reforms, leading the way in negotiating outside investments but continuing to control the process in the face of rising expectations and disparities. The state has removed itself from direct investment in some areas of economic growth by promoting joint ventures and local collectives, such as the Stone Forest General Corporation that was once Wukeshu village” (Swain 2002: 210-211). Swain pointed out, “this collective also raises questions about the possible development ... as it works side-by-side with private family-based enterprise, such as the guest house, and state agencies including county government offices and the Tourism Bureau” (Swain 2002: 211). We will further explore this in the last chapter.

## **CHAPTER FIVE**

### **GENDER AND HANDICRAFT BY FENGHUANG HMONG IN THE CONTEXT OF TOURISM**

With the large-scale and capital-intensive tourism development jointly directed by the local political and outside economic elites, local people and communities in Fenghuang are experiencing comprehensive socioeconomic changes. New social classes are emerging, such as the outside investors and their management-level employees, and the temporary migrants from rural to urban areas, as new income opportunities increasingly arise; social conflicts between the local residents and outside investors over the use of local tourism resources are intensified. These processes are inevitably affecting local Hmong women's traditional handicraft practices and their gender roles. There are three major handicrafts made by Hmong in Fenghuang: cut-paper, embroidery, and silver jewelry making. Cut-paper and embroidery are traditionally the handicrafts inherited and practiced by Hmong women, and silver jewelry is made by Hmong men. The discussion here focuses on cut-paper and embroidery. This chapter focuses on the perspective of local Hmong women – particularly, in relation to their gendered handicrafts -- under the socioeconomic effects in the context of tourism. Inspired by Eric Wolf's perspective on power and culture (Wolf 1982, 1999), it explores what cultural tradition means as a commodity as well as a local expression, in Fenghuang's rapid social change resulting from its tourism development as jointly directed by the local political and outside economic elites.

My argument here is based on ethnographic data collected during all my three visits to Fenghuang in the spring of 2002, and the two summers of 2005 and 2006. I interviewed Hmong artisans, tourists, handicraft souvenir vendors, and other local residents, focusing particularly on Hmong women's traditional life histories and the changes in their lives brought about by Fenghuang's tourism development. Participant observation provided insights into how

interactions with tourists have affected Hmong traditional handicraft practices. Specific sites for interviews and participant observation included the Hmong artisans' homes, small shops, and Hmong village bazaars in Tuo River, Ala, and Shanjiang Towns where varieties of handicraft items are sold as souvenirs.

To understand Hmong women's handicraft practices in the tourist market, we must first understand what is valued in the economy by local Hmong community members as well as tourists. Bourdieu (1990: 89) argues that if production is to succeed economically, workers must produce something that is of value for consumers, and on the other hand, workers "must also produce a belief in the value of the activity of production itself". The dilemma here is that what local Hmong value and what tourists value are not quite the same in the market. In the tourist market, what local Hmong value about their craft production no longer has to do with fulfilling traditional cultural goals, but with the amount of money they can make through this economic activity. On the other hand, what tourists value is the handicraft that they imagine to represent local Hmong's traditional life: authentic, symbolic in the Hmong residents' belief system, produced for their own consumption, practiced as a fulfillment of their identity and lifestyle, etc. But tourists -- as consumers -- are associated with the market, and handicraft production for the market has always been about making money, or how to balance the input and outcome to realize the highest monetary return. Traditional handicraft practices do not fit well with these market-driven goals, because they are so time-consuming that their production would price products much higher than the majority of tourists coming to Fenghuang could afford. This chapter explores local Hmong women facing this dilemma in the local tourist market, as they consider their traditional handicrafts and the changes in gender roles associated with the production of those handicrafts in the context of tourism's rapid development.

## **Traditional Fenghuang Hmong Women's Handicraft**

Hmong culture is rich with traditions in arts and crafts, including cut-paper, embroidery, and silver jewelry-making. The Hmong people have had to depend on an oral and artistic tradition to pass on their history, legends, beliefs, and culture from one generation to the next before their language acquired a written form in the 1950s. The patterns and motifs of their handicrafts are rooted in their oral history and folkloristic images (Tapp 2003; Quincy 1995). Among all the ethnic groups' costumes in China, the Hmong's costume is considered the most delicate and splendid, thanks to their handicraft, which, as part of the Hmong's material culture, is one of the major tourist attractions in Fenghuang.

Hmong women's handicrafts are usually passed down through generations from mother to daughter. The process generally starts early in the course of childhood. Traditionally, at about six years old, Hmong girls began to learn needlework, including making cut-paper and embroidery. Cut-paper and embroidery are two of the most important skills for Hmong women to use in decorating their clothes. Cut-paper can be pasted on personal belongings, furniture, utensils, walls, doors, and windows as direct decoration; it can be also used as an embroidery pattern by attaching the cut-paper to the cloth and embroidering on it. As they grow older, especially when they reach puberty and begin courting, needlework is very crucial for Hmong girls to wear to attract Hmong young men. They also make special pieces for New Year's celebrations, which also mark the time for courtship. Every girl wears clothing with her best needlework, and the girls compete with each other to attract the attention of Hmong boys.

Upon getting married, Hmong women begin their new journey in life. The Hmong in Fenghuang are patrilocal. As a new wife and daughter-in-law in a new household, a Hmong



woman is expected to be more humble and hardworking than in her natal household.

Needlework helps the new wife to adapt to the new environment. When doing needlework together after finishing household chores, the new wife can establish a good relationship with her mother-in-law and sisters-in-law, or even with other women in the village. Usually, not long after marriage, a Hmong woman would be expected to have her first baby, and this is the way for her to improve her status in the new family. A baby is very precious for a family, especially a baby boy. A traditional way to protect a baby is to embroider all kinds of auspicious patterns on babies' hats, shoes, aprons, and clothing, to bring them good luck. Even though the focus of Hmong women's needlework changes from being for themselves and their lovers, when they are girls, then for their husbands as they become wives, and then for their children as they become mothers, it has always been an important part of their traditional life.

### **Hmong Women's Handicrafts in the Context of Tourism**

“From the point of view of ensuring their survival, they [peasants] may wish to produce the many different things they need themselves and to reduce their dependence on the market. From the point of view of obtaining money, they will try a mix of strategies that will yield money” (Wolf 2001: 257). With the increasing interactions with the outside world brought by Fenghuang's tourism boom, local people in Fenghuang are not content to simply survive and maintain their households, but want to succeed and partake of the goods, services and possibilities that surround them. A rise in migration and wage labor, which was already underway with China's socialist market economy on a national scale, is being accelerating by its tourism's rapid development in a local economic context. Rather than being merely part of local Hmong traditional art and life, handicraft activity is becoming part of a broader set of strategic

practices to make a living, in which diversification is a solution to extreme economic insecurity. These changes foster new ways to talk about local Hmong handcraft, and what the Hmong were practicing in the past is changing in value and meaning as new possibilities arise.

a. Resistance

Resistance to the changes brought by the tourism boom in handicraft practice of the Fenghuang Hmong exists mostly in maintaining ethnic and personal identity, and exists more among the older and more rural population. Writing about the Hmong in Thailand, Symonds states, “in the form of clothing and adornment...for exchange and heirloom conservation, cloth helps social groups to reproduce themselves and to achieve autonomy or advantage in interactions with others” (Symonds 2004: 48). However, in the case of Fenghuang in the context of tourism, the importance of local Hmong handicrafts, which help decorate their distinct traditional costume as the defining mark of ethnic identity, is strengthened. The distinction of Hmong’s identity becomes strategic in securing or accumulating their valued resource, as it is one of Fenghuang’s most important tourist attractions.

Hmong textile art, including cut-paper and embroidery, visually identifies a person as Hmong. The traditional costume the Hmong wear gives these groups their names and identities: batiked cloth for Blue Hmong, for example, and closely pleated white skirts for White Hmong. In fact, all of the highland tribes wear distinctive clothing that signals their ethnic identity. Despite the geographic variations in Hmong clothing, one can recognize a Hmong by his/her traditional clothing styles and colors, and by the patterns in the floral design embroidery that decorates their clothing. In the context of Fenghuang’s tourism, in which the exoticized Hmong culture is one of the most important tourist attractions, decorating may be viewed as one of many

types of activity that, through their visibility, constantly transmits information about individual social identities to the tourists. This helps the Hmong succeed in economic activities in the tourism market. Just as with the craft producers and vendors in Oaxaca, Mexico, while talking to tourists as the primary customers, artisans and vendors in Fenghuang were also “careful to keep the market at arm’s length and they talk about crafts in a way that celebrates cultural traditions rather than emphasizing consumption and economics” (Cohen and Browning 2007: 236).

A Hmong woman’s handicraft skills, such as embroidery cross-stitches, appliqué, and geometric designs, reflect her patience and perseverance as well as her talent. As Hmong girls grow older and become more experienced, they are expected to know how to make intricate and colorful patterns with hidden stitches. More than just learning patterns passed on from grandmothers, mothers, or aunts, they are expected to take advantage of their own talent and creativity to improve upon traditional patterns and create new ones, integrating what they have experienced and learned from life and love. The Hmong believe that one can determine a great deal about a girl’s personality and abilities from her needlework, because it requires patience, creativity, and hardwork, which are the virtues of a good wife, mother, and daughter-in-law. As Symonds (2004: 49) explains, “stitches indicate that a girl is good at organizing her life; her ability to reuse thread she has pulled from pieces of old cloth portends the skills of a good manager. If a girl has completed many impressive pieces, she earns a reputation for industriousness, and if her needlework is clean (not covered with the red soil of the area), it is predicted that she will raise clean and well-behave children, and be a good housekeeper. If she is creative in her patterns and stitches, then she will be creative in the ways that she cares for and manages her family.”

Hmong women choose patterns not only for their beauty, but also for the symbolic meaning delivered by a certain pattern. The fish design is believed to bring wealth; the pomegranate represents women's fertility; the butterfly is a symbol of the Hmong ancestor in their origin myth; and certain flower patterns are supposed to protect the wearer from wild evil spirits in the forest. Although the traditional Hmong daily clothing is decorated with embroidery, the finest and most important clothing with thick embroidery is made for New Year's celebrations and weddings, for newborn babies and the dead. A newborn baby is thought to be vulnerable to wild spirits, so baby carriers, hats, and shoes are embroidered richly. It is said that embroidered cloth can aid the spirits of the dead when they make the dangerous journey to the land of darkness. Descendants of the dead usually lay pieces of embroidered cloth, made over the years for the funeral, under the head of the corpse, and then wrap it in garments decorated again with especially fine embroidered cloth.

#### b. Accommodation

The tourism boom in Fenghuang has caused far-reaching effects on the local Hmong, especially in their economic practices and social structure. Hmong handicraft practices are changing. For example, traditionally, cut-paper and embroidery are women's activities, with a strong gender label. With the tendency to transform their handicrafts from being part of traditional daily life to being tourist commodities for cash, the gendered division is not as rigid as before. It is no longer unusual to find Hmong young men also engaged in cut-paper-making or even occasionally doing embroidery production in Fenghuang.

The economic opportunity from tourism is greater than that offered by agriculture. On the one hand, more and more young people are unwilling to learn the traditional handicraft skills,

since the tourism industry provides them with much wider choices of wage employment. Also, it is impossible for them to have the same leisure time associated with the slack season in farming in the past, and they no longer have the time to engage in the time-consuming traditional handicraft activities if they are wage-employed. On the other hand, as the main inheritors of traditional handicrafts, Hmong women are definitely playing an important role in the preservation of ethnic culture. But Hmong women's roles and responsibilities have changed with the social and economic transition. With men leaving the field to seek wage work in local urban areas or outside cities, women are left at home to take care of their parents and children, and to work the land. More and more, women are leaving with their husbands for the cities, asking the grandparents back in the villages to take care of their children.

Even though the demand for Hmong handicrafts in the tourism market (measured as transactions between local Hmong and tourists or middlemen) has been increasing, the demand for Hmong handicrafts for self-use or in the local market (transactions among local Hmong) has been declining. The decline is basically for two reasons: the decline in the ceremonial contexts associated with traditional Hmong handicrafts; and the arrival of wholesale and inexpensive factory-made clothes from the outside world with a large variety of fabric, colors, patterns, and styles have rendered handmade Hmong costumes obsolete for the local Hmong youth. Local Hmong cultural institutions, such as marriage, birth rituals, and funerals, are changing, due to commercial and tourist influences. The rites of passage for birth, marriage and death are major events in the life of Hmong, as they are in all societies. Hmong handicraft items are used in these rituals not only as decorations, but also as blessing symbols. As noted above, the quality of the needlework bestows status on the women who created it. Young girls spend many years learning the embroidery techniques and traditional designs necessary for the creation of Hmong

clothing. At courting time, the beauty and intricacy of a girl's needlework invite admiration and assure her a favored suitor. Traditionally, the most precious dowries usually are splendidly embroidered Hmong ethnic costumes and elaborate silver jewelry, which are now becoming less valued as engagement gifts, compared with other commodities in the commercial world, such as household appliances and non-native gold jewelry. As traditional handicraft production shifts to the tourist market for moneymaking, it has a reduced role in the Hmong traditional cultural context; as their traditional cultural context declines, it accelerates the shift of traditional handicraft production for the tourist market as commodities.

Hmong handicrafts produced for the local tourist market inevitably reflect a dual aesthetic system: a contemporary market-oriented aesthetic integrated with the traditional ethnic cultural aesthetic. Local Hmong aesthetics and production practices interact with tourist expectations and market demands for arts and crafts. Traditionally, local Hmong handicrafts are culturally rooted in the past folkloristic and ethnic images. With the rise of local tourism, however, the contemporary market-oriented aesthetic is becoming the dominant one in the production of Hmong handicraft souvenirs to cater to tourists' tastes. The traditional patterns the Hmong present in their cut-paper and embroidery, which originated from the legends and myths of Hmong oral history, are now being replaced by patterns favored by the tourists, the majority of whom are ethnic Han peoples from outside cities.

Local Hmong handicrafts sold as souvenirs become detached from their original meanings and social contexts. This is similar to changes in *mola* embroidery practices in a tourist area of Panama, where "Kuna women who have opportunities to observe consumer behavior directly have developed very sophisticated knowledge about what sells. These women's use of color and design has been affected by buyer's likes and dislikes." (Tice 1995: 95). In Fenghuang, Hmong

women cater their handicraft designs to the Han tourists' taste. One woman showed me a collection book of Han cut-paper designs, many of which she had adopted into her handicraft production. For example, the design "Mouse Marrying Its Daughter" ("*lao shu jia nu*") is a Han folk story, reflecting a traditional wedding ceremony of taking the bride to the groom's home with three male mice playing music in front of the groom, followed by the bride in a sedan chair carried by another four male mice (see Figure 5.1). The design "Eight Gods Crossing the Sea" ("*ba xian guo hai*") is also based on an old Han legend. The gods carry their own talismans, as symbols of social justice, by which they helped the poor and punished scoundrels (see Figure 5.2). Most tourists in Fenghuang are Han, for many of whom Hmong traditional handicrafts, such as cut-paper conveying Han legends or folk tales, are perfect souvenirs because they combine both cultures. There were also changes in the manufacturing process. By placing an already-prepared cut-paper as a template on the top of several pieces of paper, a Hmong woman can produce several pieces with the same design at the same time, which is different from the traditional way of making them individually without such a template (see Figure 5.3). In comparison with traditional Hmong handicraft production methods, pieces produced for the tourist market involve: 1) more products produced per unit of time; 2) lower quality with fewer stitches and/or simplified patterns; and 3) new designs reflecting non-Hmong culture, etc.



Figure 5.1: The design “Mouse Marrying Its Daughter” is made up of two pieces of cut-paper. The fourth mouse (from left to right), with a ribbon tied as a flower on his chest and a hat on his head, is the groom, and the bride is in the sedan chair.



Figure 5.2: The design “Eight Gods Crossing the Sea” is made up of four pieces of cut-paper, and each of them shows two gods with their signature talismans in their hands.



Figure 5.3: A local Hmong female artisan is producing several pieces of cut-paper of the same design (two of the eight gods in “Eight Gods Crossing the Sea”) at the same time, by placing a template on top.



### c. Competition

There are generally three types of handicraft commodities in the Fenghuang tourist market: 1) machine-made factory products; 2) low-quality handmade items; and 3) high-quality handmade items (Table 5.1). Here are relative prices, using the popular souvenir of a small-sized embroidered handbag as an example: the machine-made type is priced around 10 yuan; the low-quality handmade type is around 30 yuan; and the high-quality handmade type usually costs around 100 yuan. Tourists are not willing to, or simply cannot afford to, pay for what they appear to “value” most. Type 3 is valued the most by tourists due to its great authenticity, but is bought by tourists the least often. This can be explained by knowing more about the tourists in Fenghuang. Fenghuang tourists’ income distribution is bell-shaped, concentrating at the level of ¥1000-3000 yuan/month (CTHTU 2004), which, nationally speaking, places them in the lower-middle social class. Tourists’ economic status determines their purchasing power. Type 3 is valued the most by tourists, but it is also the most expensive, costing much more than the other two types, because the extensive production time greatly increases production costs. These handicrafts are also the least available on the tourist market, and among those that are available, the majority of them were produced generations ago and passed down as family heirlooms. Given this, type 2 handicraft commodities are best suited to Fenghuang tourists: they are still handmade, but are affordable.

Table 5.1: Characteristics of three types of handicraft commodities available in local tourist market.

	<b>Type 1</b>	<b>Type 2</b>	<b>Type 3</b>
<b>Quality</b>	Low	In between	High
<b>Quantity Available in Local Tourist Market</b>	Large amount	In between	Small amount
<b>Demand in Local Tourist Market</b>	In between	Most	Least
<b>Value by Tourists</b>	Least	In between	Most
<b>Likelihood for Producers to Produce</b>	In between	Most	Least

Factory-made rather than handmade crafts are more common in the local tourist market. For the tourists, the factory-made souvenirs are much cheaper; for the producers, the factory-made commodities are much less time-consuming, and can be sold at wholesale for quick profit. Many souvenirs are not even indigenous, such as Tibetan jewelry, popular in tourist markets everywhere in China. In the summer of 2006, a local souvenir shop owner in Tuo River Town told me that most of the articles for sale in his store were produced in Yunan Province where most of China's ethnic groups concentrate, and in Zhejiang Province, which is well-known for small factory industries (Village and Township Enterprises). He was from Fujian Province, and had moved to Tuo River Town to do business two years before. He told me proudly, "I have made enough money during the past two years and just bought a house in town." Such cases are not rare. Souvenir stores selling Indian, Nepalese, and Tibetan crafts are everywhere in the local tourist market.

Shanjiang Town is well known for the purity of its Hmong handicrafts. Every five days, the market in the urban area of Shanjiang Town draws large crowds of tourists, who are not satisfied with the market in Tuo River Town because it is flooded with low-quality, factory-made local crafts, or even crafts from other outside areas. Especially since 2002, the local government has promoted this town as an attractive side trip for shopping while traveling to see the county's eight sites that are managed and promoted by YDCC/PATT. I visited Shanjiang Town in both 2002 and 2005, and noticed dramatic changes: new cement buildings rising around the market; handcraft booths increased from a few scattered in the market to several seemingly endless lines; and the large amount of outside manufactured clothes and household utensils appearing in the once exclusively indigenous handicrafts market. In 2002, I became acquainted with one of the

local silver jewelry craftsmen in Shanjiang Town, and in 2005, I met him again in the market. Standing by his booths, which seemed to disappear in the long line of booths one next to another, he said, “you know what it was like here before, and you look here now, their silver jewelry (that of other vendors) contains little if any silver, and it is poorly made with few of our ethnic designs. However, theirs are much cheaper. My stuff doesn’t sell as well as theirs.” Although he disliked the flooding of the market with more and more less-authentic but much cheaper handicraft commodities, he would have to adapt to the current market to be competitive.

There is obvious competition between the vendors of handmade and factory-made souvenirs; occasionally it is intensified into conflict, in addition to the other existing social conflicts over the use of local tourism resources between local people and PATT as discussed in Chapter 3 and 4. The small handmade souvenir street vendors usually are local people who are selling traditional handicraft or other locally produced souvenirs. However, the shop owners generally are outsider businessmen who are selling souvenirs from all over China and even from other countries. The shop owners are concerned about the competition, since their commodities are much more expensive and less authentic than those sold by the street vendors. The much higher prices are due to shop rent, taxes and fees paid to the local business bureau, kickbacks paid to the tourist guides who bring tourists to their businesses, and employees’ wages. The tourists prefer to buy souvenirs from the street vendors (such as type 2 and 3 discussed earlier) rather than from the shops, not only because they are much cheaper, but also because they appear to be more authentic, with the local sellers from remote villages in their traditional Hmong costumes. The competition finally intensified when the shop owners went to the local government to protest that the informal temporary street vendors were hurting their profits. Shortly after, the street businesses were not allowed. But they are appearing again, since there is a demand for them in

the local tourist market, and also because it was considered widely to be unreasonable for the local government to ban them.

In the case of Guizhou, China, Oakes argues that ethnic tourism development is a form of quasi-colonial exploitation, as the local population controls neither production nor access to marketing channels for their products (Oakes 1999). In the case of Fenghuang, in response to its tourism impacts, resistance and accommodation coexist in local Hmong's handicraft practices. In terms of resistance, local Hmong, especially elderly people and people in areas less involved in the local tourist market, tend to cling to their culture in the form of traditional handicraft practices associated with their old ways of life, to defend their ethnic and personal identity against capitalist encroachment. In terms of accommodation, the Hmong, especially younger people and people in areas more exposed to local tourism industry, are trying to combine diverse lifestyles and modes of thought and learn to negotiate the contradictions, in order to secure their household incomes. Even though some people are ready to accept alternatives to their way of life and are willing to adjust their traditional handicraft practices, it is not easy to find a balance between resistance and accommodation to be successful in the tourist market, especially considering that the majority of Fenghuang tourists are at lower-middle and low-income levels. In addition, there is competition, sometimes intensified to conflict, between local Hmong artisans and outside vendors in the local tourist market. However, the local Hmong are not always guaranteed their rights, with the outside investors having the most power in the process of Fenghuang's elite-directed, capital-intensive tourism development.

### **Gender Roles and Handicraft Practice among Hmong Women**

Local Hmong women are becoming important contributors to the increase in household cash income through their active involvement in local tourism as tourist guides and souvenir vendors.

I did in-depth interviews of local Hmong women during my three visits. The following case studies illustrate how tourism impacts the gender roles and handicraft practices of local Hmong women. Both Hmong women in the first two cases are from Shanjiang Town, but they were making and selling handicraft items to tourists in Tuo River Town. The Hmong women in case three are in Gouliang Hmong Village of Ala Town, which is the official model of village tourism development in Fenghuang. Tuo River, Shanjiang, and Ala Towns are among the few areas in Fenghuang where there has been significant tourism involvement.

a. Case I: Liuai Wu, Shanjiang Town

Liuai Wu was in her sixties, and she was cutting paper and selling it to tourists in the main street of downtown Tuo River Town when I met her in 2002. She lived in Shanjiang Town, and commuted between Shanjiang Town and Tuo River Town. Dressed up deliberately in traditional Hmong costume, doing cut-paper work in the street, she became part of the image of downtown Fenghuang as a tourist attraction. I sat on a small stool by her side, watching her cutting paper, chatting with her, and helping her sell her finished cut-paper to tourists. When it started raining, I helped her move her material under nearby eaves. While waiting for the rain to stop, she asked questions about me and outside cities, and told me more about herself and cut-paper.

I love cut-paper and have devoted a good part of my life to it. As a young girl, cut-paper was a joy, not a chore. I really enjoyed it because, you know, we had no TV to watch. We had nothing to do. All you could do when it was raining like today was to bring friends, and sit down to do cut-paper together. It was really fun. When upset or uneasy, I would calm down as soon as I picked up the carving knife to cut paper. The cut-paper

that I made are like my children, and I have integrated my own feelings through creating new designs and through every single cut.

I learned to make cut-paper when I was about ten years old. Back then, most of us Hmong girls were good at this. We usually gathered together with our mother and sisters, or other young girls in our village, to do cut-paper. That was how we learned and improved our skills. You know, when the New Year was coming, cut-paper pieces were used as the patterns for needlework. If you had no nicely embroidered clothes, other people would say, 'Well, that girl must not have listened to her mother. She is horrible at needlework.' But for those who had, they would say 'Wow, look at that girl! She must be diligent and clever. She will be a good wife and mother in the future.' Getting such praise was a big deal for unmarried Hmong girls, and they would be thought fondly of by Hmong guys and matchmakers.

Unlike my generation, both my daughter and daughter-in-law know nothing at all about cut-paper. They are just not interested. My daughter has gone to the city and found a job there, and my daughter-in-law left the village to rent a shopfront to sell clothes here in Tuo River Town. The outside has more attraction for them, and they no longer want to stay at home. I can't hand this down to them now, like it had been for generations. I am not happy, but what can I do?

b. Case II: Jianyuan Long, Shanjiang Town

Jianyuan Long was a middle-aged woman, in a Hmong traditional blue top without many accessories besides a little embroidery, sitting on a small stool doing embroidery in a street of downtown Tuo River Town when I met her in the summer of 2006. By her side was a big basket displaying the embroidery goods. She rented a room and moved from Shanjiang Town to Tuo River Town to sell her embroidery goods to tourists in January 2006, also to take care of her two children. Her older son was studying at the middle school in Tuo River Town, and the younger one was at a kindergarten in Tuo River Town. Before that, she had been staying at home to take care of her children and help her husband work in the fields. Her Mandarin was quite fluent. Hearing my compliment, she was a little shy and told me that her Mandarin was not good at all before she moved to Tuo River Town, just like other village women in Shanjiang:

In my village, there are other women just like me, but not many of them come here to do business like me. Some of them are too shy. They don't speak Mandarin very well, are very self-conscious, and afraid of being laughed at by people here if they come. Some women's husbands have gone to cities in east coastal provinces such as Jiangsu and Zhejiang Provinces to look for wage jobs, so they have to be home to take care of everything. Other women went together with their husbands to cities, and left the children with their grandparents. My husband stays at home, working on the farmland, about one *mu*. We plant grain, rapeseed, corn, and sweet potato. The grain and rapeseed oil are enough every year for our own use. I raised pigs, chicken, and ducks before, but not anymore since I came here to do a little tourist business. Both of my children are



studying at schools here in town, so it is convenient for me to take care of them by moving here, and to make money to pay their expensive tuition. I now could make 1000 yuan per month on average, and 400-500 yuan even during the non-peak season. Since I am making money now, my status has changed in my family. Before, my husband or my parents-in-laws decided everything in the family; now I make money and also know more than they do. Not only my husband starts to respect my opinions, and lets me participate in decision making on family issues, but also I get involved in village affairs. If there is something unfair in the village that even men are afraid to protest, I dare to fight.

While we were talking, she was still doing embroidery. Most of the embroidery was for decorating handmade purses and handbags, which are favorite tourist souvenirs. She told me some middlemen started to order from her to sell to outside cities. She was satisfied with the payment offered by the middlemen, but she complained that there was a lot of stress associated with every order. Sometimes she had to work overnight in order to meet the deadline. I looked at her embroidery goods displayed in the basket, and it was obvious that most of them were made in a rush and she could have spent more time on them.

c. Case III: Chunxia Long, Jianhua Wu, and Hexiu Long, Ala Town

While I was doing the ethnography on local village tourism development in Gouliang Hmong Village, Tuanzhang Long was one of my most important interviewees (Feng 2007). He introduced me to his family, his wife and their youngest daughter, Chunxia Long, who was unmarried and was living with them. The wife was very traditional, with her hair worn neatly in

a bun with a Hmong traditional-style blouse. In contrast, the daughter -- in a T-shirt and casual pants -- looked like much like outside girls. Tuanzhang Long was the director of the village's performance team. His wife had a stand to rent Hmong costumes to tourists and sell tourist souvenirs like embroidery goods and silver jewelry. Their daughter was taking pictures of those tourists dressed up in the rented costumes. She was well-equipped to take pictures, with a professional-looking Nikon digital camera, a desktop computer to process the digital pictures, and a color printer for printing pictures out for tourists. I stayed with Tuanzhang Long's family during my visit in Gouliang Hmong Village, sharing a bed with Chunxia Long. Chunxia Long had returned from the city a couple of years earlier. She told me, "I learned a lot after I left home. Those experiences definitely are paying back now. I am making pretty good money now by doing the digital picture thing. That is one of the tourists' favorite souvenirs." This family showed me their collection of embroidery: bed curtains, baby blankets, women's shoes, etc. Some of them were his wife's dowry, made by her when she was a girl, and some of them were family heirlooms. Tuanzhang Long told me that he was waiting to sell them to rich foreign tourists one day: "those foreigners love this kind of stuff, and they are always willing to pay a lot for the authenticity." Since he knew that I was studying for my doctoral degree in the U.S., he asked me to take pictures of his collection to show them when I was back in America. The wife was very shy, but he and the daughter were ambitious and expressed their strong interest in making some international business connections to sell Hmong handicrafts in the foreign market. He also showed me the embroidery goods that his wife and daughter were making to sell to tourists, "You look at the quality, aren't they good?" To be honest, those were not bad, but compared to the collection he showed me earlier, it was not hard to find the obvious difference: the stitches were not nearly the same weight and density.

Also in Gouliang Hmong Village, Jianhua Wu, and Hexiu Long were the village's two souvenir shop owners, and they were sisters-in-law. Jianhua Wu was in her early twenties, and had just returned the year before, after working in the city for several years. Hexiu Long was in her middle thirties, and was an occasional substitute teacher in the village primary school. Her husband left for the city to work on temporary wage jobs, and she was living with two sons; one was in second grade, and the other was in sixth grade. The experiences of contacting the outside world, both through working in cities and through receiving tourists in the village, had enabled these village women to be more independent, rather than passively accepting their lives like their mothers and grandmothers. While chatting with Jianhua Wu, I was impressed by her openness. She told me about her boyfriend. After she returned from the city, under the arrangement of her family, a matchmaker introduced her to a man who was more than ten years old than her. He was living in Shanjiang Town, and had also migrated to the cities as a wagemaker for a couple of years before, and was helping a friend with an Internet bar business in Shanjiang Town at that time. They only had been on dates a few times, but he was eager to get married. She was concerned about the age difference between them, and his job at an Internet bar where some people easily got addicted to Internet chatting, or something even worse. So she kept on asking for my opinions. Of course, I could not give her much advice; I just listened to her. I felt the changes in the life of this young rural woman, who had seen the outside world, and who knew more, and thought more, because of that experience.

## **CHAPTER SIX CONCLUSION**

### **Evaluation of the Impacts of Fenghuang's Tourism Development**

In terms of the county government's 18 years (2002-2020) of urbanization and tourism plans and YDCC/PATT's 50 years (2002-2052) lease, Fenghuang County is at the very early stage of this large-scale and capital intensive development. There are two forces for change in this development, outside forces and local traditional forces. The dynamic process can be schematically represented in a three columns (Table 6.1). Three-column analysis was devised by B. Malinowski to study cultural contact, and was later applied by Hsiao-Tung Fei to the analysis of the process of Change of the silk industry in a Chinese village (See Malinowski 1938, 1945 and Fei 2001). Fenghuang has entered a new stage of transition. Even through the ultimate consequences of Fenghuang's tourism's rapid development are uncertain, the current impacts of the changing situation caused by its tourism boom during the first five years are clear. YDCC/PATT became Fenghuang's single largest economic force, and the impacts of YDCC/PATT in Fenghuang have dramatically transformed the economic, natural, social, and cultural context of the region.

Table 6.1: Three columns analysis: the dynamic between the outside influences and local traditional forces

<p style="text-align: center;"><b>Outside Forces Making a Change</b></p>	<p style="text-align: center;"><b>Changing Situation</b></p>	<p style="text-align: center;"><b>Traditional Forces Bearing on Change</b></p>
<p><b>I. China’s more liberal economic policy, especially since 1992:</b></p> <ul style="list-style-type: none"> <li>(a) Reconstruction of state-owned and collective economy;</li> <li>(b) Foreign investment floods into China;</li> <li>(c) Not competitive to foreign capital in the global market, indigenous companies bankrupt;</li> <li>(d) Many state-owned factory workers laid off.</li> <li>(e) Central government set limits to the tobacco production.</li> </ul> <p><b>II. The Campaign to “Open up the West”, launched in 1999:</b> The local government takes an active in increasing economic growth of Fenghuang County.</p> <p><b>III. The Phoenix Ancient Town Tourism Co. Ltd (PATT), as a branch of Yellow Dragon Cave Corporation, monopolizes about the major tourism resource in Fenghuang County since 2002.</b></p> <p><b>IV. The local government’s role in the new tourism development model</b></p> <ul style="list-style-type: none"> <li>(a) Infrastructure planning, facility construction, and environmental protection projects;</li> <li>(b) Land expropriation from the peasants for the urbanization plan;</li> <li>(c) Not capable to standardize the chaos of the self-organized local tourism market.</li> </ul>	<p><b>I. Bankruptcy of Fenghuang Tobacco Company, 1997:</b></p> <ul style="list-style-type: none"> <li>(a) Local government budget shortfall;</li> <li>(b) About 3000 workers laid-off by the tobacco company;</li> <li>(c) Large labor surplus.</li> </ul> <p><b>II. The separation of ownership and the right of management of the tourism resources:</b> In 2001, the local government sold management rights to the most important tourism resources to Yellow Dragon Cave Corporation (YDCC) for 50 years for 102 million U.S. dollars.</p> <p><b>III. Program of Reform since 2002:</b></p> <ul style="list-style-type: none"> <li>(a) Invest to rehabilitate the historical sites;</li> <li>(b) Market research and market promotion;</li> <li>(c) Restrict access to tourist resources;</li> <li>(d) Only YDCC sells tickets.</li> </ul> <p><b>IV. Conflicts arise since 2002:</b></p> <ul style="list-style-type: none"> <li>(a) Between the local government and PATT;</li> <li>(b) Between the local government and local peasants;</li> <li>(c) Between local residents and PATT, and between local residents and the tourists.</li> </ul>	<p><b>I. Fenghuang Tobacco Company was the backbone of the Fenghuang County economy.</b></p> <p><b>II. Fenghuang Tourism:</b></p> <ul style="list-style-type: none"> <li>(a) Rich natural and cultural tourism resources;</li> <li>(b) Lack of sufficient knowledge for tourism development;</li> <li>(c) Lack of capital for tourism development.</li> </ul> <p><b>III. Traditional situation subject to change:</b></p> <ul style="list-style-type: none"> <li>(a) Most historical sites badly in need of repair;</li> <li>(b) Fenghuang barely known in the national tourism market, not mentioned globally;</li> <li>(c) Free access to tourist resources.</li> </ul> <p><b>IV. Poor, but relatively more harmonious.</b></p>

a. Economic Impacts

In the tourism development model adopted by Fenghuang County, the overall changes that have taken place are diverse. Economically, it seems there are more options for individual and household income-generating strategies. However, these new opportunities are taking place in an uneven fashion in two important aspects.

(1) Between the outside investors represented by YDCC/PATT and the local residents: A large proportion of expenditures and profits flow back to the outside investors. High extraction leaves little profit in the tourism destination area. Non-locals employed in professional and managerial positions have greater responsibilities and higher salaries than those local residents employed in lower level positions.

(2) Among local residents: Both local agricultural and non-agricultural per capita incomes have been increasing annually since 2002. At the same time, however, the gap between the two populations is increasing, and the increasing pace of commodity price increases in the local market is exceeding the income increase of the majority local residents'. Regionally speaking, so far, only Tuo River Town and Ala Town have been most involved and impacted, thanks to their tourism attractions and relatively convenient transportation. In Tuo River Town, after most of the tourism profits flow to PATT and other outside investors, only a small share is distributed to a few households which run tourism relevant businesses. In Ala Town, the case of Guoliang Hmong Village represents an example of self-organized Hmong villages' tourism development, but in this model only a few village elites are involved and benefited.

Tourism in Fenghuang has negatively impacted local household access to and the utilization of natural resources. In Tuo River Town, PATT has monopolized the most scenic part of Tuo River and forbids the local boatmen from meaningful participation in the boat sightseeing

business. In Yellow Silk Village, villagers are facing the fate of moving out because of PATT's business interest. A large number of peasants lost their land to the boom in infrastructure and real estate construction. Land value has been increasing dramatically in Tuo River Town, especially for downtown riverside properties. As land prices have increased so have the opportunities for a few households (e.g. the old stilt house owners) to convert their landholdings into other forms of productive capital for more productive activities. Conversely, dramatic increases in land prices have also had negative consequences for a large number of households with small land holdings, which includes the majority of households. The sudden infusion of capital is being regarded in Fenghuang as the belated arrival of a long-desired development.

#### b. Environmental Impacts

The massive construction projects have exacerbated the environmental issues already caused by the large number of tourists. Fenghuang County government has grown to depend upon tourism as means of securing revenue. The manipulation and control of local politicians and elites by outside metropolitan interests is evident. The local government's political and economic priorities lean towards satisfying PATT's interests, rather than protecting the welfare of local people. Therefore, the bureaucratic and legal framework for environmental protection and enforcement is inadequate. This means that individuals and communities in Fenghuang County may be forced to cope with dangerous levels of pollution, which would be an unplanned public health experiment with an unknown outcome. There may be more unexpected accidents like the bridge collapse tragedy in August 2007. Fenghuang's healthy environment that ever impoverished Fenghuang residents had always enjoyed is being degraded, even as its tourism resources are being appropriated by outsiders.

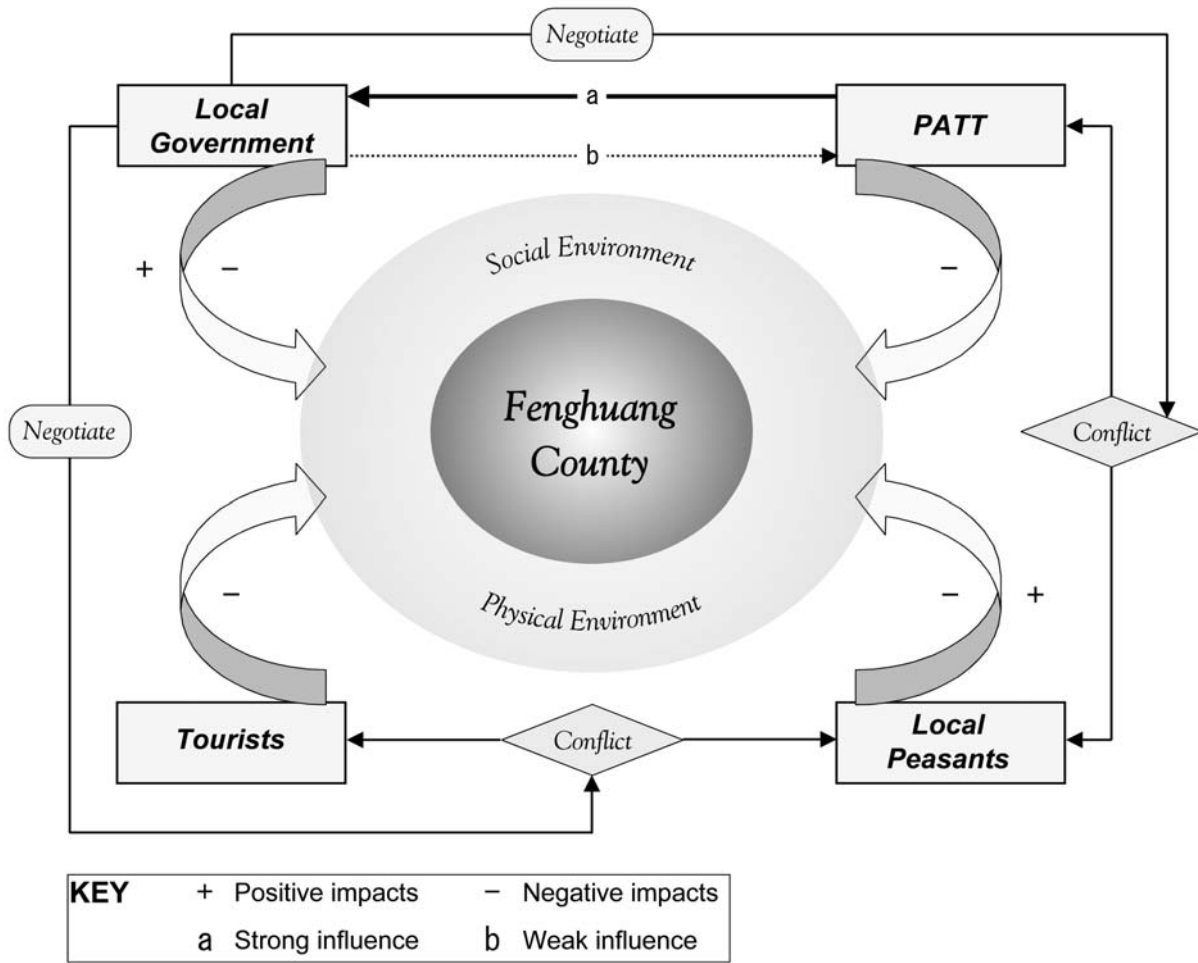
### c. Social Impacts

The relationships among the different stakeholders (i.e. the local government, outside investors, local residents, and tourists) in the tourism industry of Fenghaung County are shown in Figure 6.1. The distribution of power in the relationship between the outside developed corporations and less developed local peoples in Fenghuang County is uneven. The tourism developers and their associates had so much power that the hosts could do little more than react to their initiatives, including the local government which proved incapable of regulating PATT's profit-oriented business activities.

As PATT (as well as other outside investors) has negatively impacted household access to natural and social resources, they have also mobilized and strengthened the political relationships between local individuals and households that are focused on resisting these changes, such as local street vendors' competition with outside shop owners described in Chapter 5, and Tuo River boatmen and Yellow Silk Villagers united together to fight PATT described in Chapter 3 and Chapter 4. In a sense, PATT has generated opposition to its operations because of the way it has chosen to interact with the local communities affected by its activities. As introduced in Chapter 4, in Yellow Silk Village, where PATT has the most direct conflict of interest with local people, the villagers have been temporarily successful against PATT, and have been collectively successful at running their own tourist business. However, in contrast to Yellow Silk Village, the inter-household level social relationships in Gouliang Hmong Village, as described in Chapter 4, are changing in the opposite direction: they are unequal, without transparency, and increasingly distrustful. There is significant social differentiation and conflict among households and villagers. The reciprocity and mutual exchange network among households in Gouliang Hmong Village become more asymmetrical with its form of elites-directed village tourism development.



Figure 6.1: The basic model of the relationship among local government, outside investors (represented by YDCC through PATT), local residents, and tourists in Fenghuang County.



#### d. Cultural Impacts

In the context of Fenghuang's tourism's rapid development, local ethnic groups represented by the Hmong are facing a common dilemma: they want to produce marketable commodities based on one of their advantages (ethnic cultural traditions), without commercializing their traditional culture. In Wolf's analysis (1982, 1999), cultural hegemony is created and routinized through all class relations as well as the convergence of different class interests based on relations of power as a form of control over people, property, and production (Yengoyan 2001). The nature of the variable relation between capitalism and the settings it penetrates is an open question (Wolf 1999:15). In Fenghuang, the general trend of traditional handicraft is to decline among local Hmong women in the process of commercializing handicrafts for the local tourist market. This market is dominated by uneven power relations (nationally speaking, between the urban Han majority and the rural minorities; and locally speaking, between the outside elites and ordinary local residents).

The role of local women is expanding from the domestic arena to a much broader public domain, transforming them from household wives and guardians of their traditional handicraft heritage to becoming active moneymakers in the local tourism industry. This has been inevitably improving their status within the household, traditionally dominated by their husband and in-laws. Like the Han women in Yellow Silk Village mentioned in Chapter 4, and the Hmong women discussed in Chapter 5, local women are starting to be visible both inside and outside their households. They are starting to be both involved in family decisions and village affairs, and to be active in the local tourist market. They are coping with the paradox that their traditional culture is associated with both poverty and the solution to poverty as stated officially, through resistance, accommodation, and competition.

e. Elite-Claimed Benefits vs. Actual Results

When the county government decided to choose an outside metropolitan corporation to help with tourism development as the final solution to Fenghuang's impoverishment, they were very confident that the outcomes of this "innovative" tourism development policy would be positive in almost every aspects from economy to environment and socio-culture. However, five years later, the actual impacts on local communities and residents are not quite as they were claimed to be (Table 6.2).

From the analysis of the tourism impacts on Fenghuang County, this case study tests the power-elite hypothesis and demonstrates that when growth in the scale of businesses and regional economies is an elite-directed process, it may concentrate social power and diffuse costs. Only a minority of the local people shared a small proportion of the economic benefits, but the majority of the local people are paying the costs of negative socio-ecological impacts, such as environmental degradation and social conflicts. My argument is that input from the more developed world, instead of helping a developing small-scale society, actually may, on balance, harm it, when reliance on outside capital leads to dependence, wealth extraction, structural inequalities, and resentment among the dependent people.

Table 6.2: Comparison between the Claimed Benefits and the Actual Results of Fenghuang's Tourism Development.

	<b>Elite-claimed Benefits</b>	<b>Actual Results</b>
<b>Economic</b>	Increase local revenue	Increasing local deficit
	Increase local people's income	Increasing income disparity
	Increase the employment opportunity for local people	Higher paying jobs usually go to better prepared outsiders; Bad working conditions
	Urbanization	Large land lost to development, local people relocated away from the resort area
<b>Environmental</b>	Lower impact on environment than other industries, pollution either preventable in advance or fixable afterwards by environmental regulations	Pollution, excessive use of energy and natural resources, overloading of infrastructures
<b>Social</b>	Influx of new people and values from outside large-scale "advanced" commercial world	Business commercialism; Commercialized hospitality replaces once genuine local ethnic groups' hospitality
	Revitalize the traditional ethnic cultures	Commercialization of ethnic cultures; young are abandoning traditional skills, and the decline of native cultural context; gender role changing among local women
<b>Political</b>	The local government can focus on supervision.	Local policy-makers' decisions are influenced by the outside commercial elites.

(Format adapted from "Tourism Balance Sheet", Rohter 1992: 51)

While discussing Guizhou's development during the campaign of "Open up the West", Oakes (2004) points out that this kind of development is actually "the intensification of, rather than departure from, a long-term pattern of western primary resource exploitation for the purposes of eastern development." As shown by the case of Guizhou, Fenghuang's tourism development experience in the context of the national campaign to Open Up the West may even represent a new stage in the region's long history of internal colonization. Along with the burst of infrastructure, comes the pollution, and even the tragic accident of the highway bridge collapse; along with increasing revenue, comes the widening gap of social inequality, as well as the intensified social conflicts among different stakeholders in the local tourism industry. Although the rapidly improving infrastructure and increasing local revenue are obviously welcome in this, one of China's poorest regions, increased educational and health resources and sustainable economic development are not being realized, as Fenghuang opens its natural resources to the outside marketplace. The implications for Fenghuang appear to be a continuation of uneven patterns of exchange between east/metropolitan/Han and west/rural/minorities.

### **Implications and Suggestions**

The tourism development in Hunan, and perhaps the entire Open Up the West campaign, calls for a methodological shift in the study of development policies in China's west. Expanding regional markets and opening them to the global market as a panacea for the increasing problems of poverty and unequal development may continue to disempower ethnic minority populations, if their cultures are seen as commodities (Litzinger 2004; McNally 2004). Since development is often implemented through the framework of neoliberalism, the concern is that the private sector may set the priorities, paying little attention to the importance of equitable growth. Gullette

(2007) points out in his research on how market liberalization, privatization, and deregulation resulted in social inequality and emigration in the case of tourism in Oaxaca, Mexico.

Developing public policies that will regulate growth to produce less costly and more sustainable development, rather than making economic growth the top priority, may solve these problems more effectively.

A proposed project should help build an economy that is socially and environmentally sustainable, but this needs to be the goal from the beginning. Just as Brown noted (2001), even though usually an environmental assessment of a proposed project will be provided, the problem is that environmental scientists may be assessing the effects of projects after economists have decided which investments to make, and at best the scientists can suggest steps to ameliorate the environmental damage from the projects selected by economists or policy-makers. This is exactly what is happening in Fenghuang County. Not until after the local government officials had already decided the policies to develop tourism by leasing the major tourism resources to a large outside for-profit corporation, they hired the experts on city planning and environment from Beijing to provide suggestions for their 18-year urbanization and tourism development plan (CACP and PGFC 2005; TPCCACP AND TBFC 2004). Because sustainability requires the subordination of financial capital to social and natural capital, economic decision-making must be subordinated to society and nature.

Instead of skewed economic development, the fruits of economic growth could be spread more evenly by adopting new economic policies and by allowing the currently deprived population to take a more meaningful part in the developmental process. Theoretically, the local government could do this in two ways: one is to adopt public policies to regulate the economic activities of large corporations (Brown 2001); the other is to adopt public policies to guide and

support the local residents to develop for example a self-reliant community tourism economy (Curtis 2003).

Today China's fiscal systems, a combination of subsidies and taxes, are designed in the interest of exploiting natural resources as rapidly and competitively as possible in rural areas, where the "emergy"<sup>1</sup> (Odum and Arding 1991) content of natural resources is being underpaid because these resources are taken for granted as "free" gifts of nature and are thus not properly evaluated by the market (Hornborg 2001). The key to sustaining economic progress is getting prices to tell the social and ecological truth. Ecologists and economists working together can calculate the social and ecological costs of various economic activities. In the present case, Fenghuang County's government could incorporate all of these costs into the market price of a product or service in the form of a tax. If so, PATT would need to pay much more tax than it does now, since the "value of nature's service" (Costanza 1997) would be accounted for, and therefore, PATT would be discouraged from conducting activities destructive to the local ecosystem. The government can also use subsidies to encourage environmentally constructive activities, financing them by shifting funds from environmentally destructive subsidies (Brown 2001).

External financial capital from outside corporations may result in over-harvesting and otherwise depleting of natural capital. There is a critical distinction between a small local business that must share the fate of the local community, and a large absentee corporation that is set up to escape the fate of the local community (Berry 2001). In the case of Fenghuang County, YDCC/PATT's only interest is to extract as much economic value as possible from the local resources within its fifty-year lease. PATT is unlikely to be concerned with the local community's fate after fifty years when the lease will end.

The positive side of this is that PATT bought only eight sites in Fenghuang County, which

still leaves large spaces for local people to develop new tourist attractions, as for example, the one-day tour of a certain local Hmong village described in Chapter 4. However, while the county government paid full attention to and took full advantage of the external financial capital that came in, and its internal natural capital, they have ignored the crucial investment needed in its human capital. Human capital relates to capabilities such as skills, education, ability to labor, and health (Bury 2004; Turner 2007). Successful development requires a continuous investment in human capital (Gullette 2007). In the case of Fenghuang County, the government needs to guide the local people's enthusiasm to foster local self-reliant community economies, by providing financial support, basic tourism management training, and educating people to develop the community skills of judgment, patience, consideration, and knowledge of sustainable development. In a more general sense, the government should increase the availability and length of formal education for children, and they need to provide training and education programs for adults. Local residents need not be consigned to informal, erratic, and unprofitable employment. Under current circumstances in Fenghuang, at least the local government could increase local household access to education and health resources, by means of formal education, adult technical training, health services, preventative health care and improved sanitation. They also could establish and implement regulations to guarantee a safe working condition and insurance for those local peasants temporarily employed as construction workers. The consultative link between the public and private sectors are possible ways to address current inadequacies of development, whose success once again depends on investment in human capital in order to empower local people to be active participants rather than passive recipients (Gullette 2007).



## Notes

1. According to Odum, “energy” was originally meant to stand for “embodied energy”. It is similar to Marx’s concept of labor value in that it denotes the amount of energy that has been invested in a product. Odum is an ecologist, and the idea of embodied energy ultimately derives from studies of ecological food chains. He uses a food chain metaphor to understand production processes. Top predators such as eagles, wolves, or humans represent the embodied energy of all the lower trophic levels all the way down to the plants.

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## APPENDIX

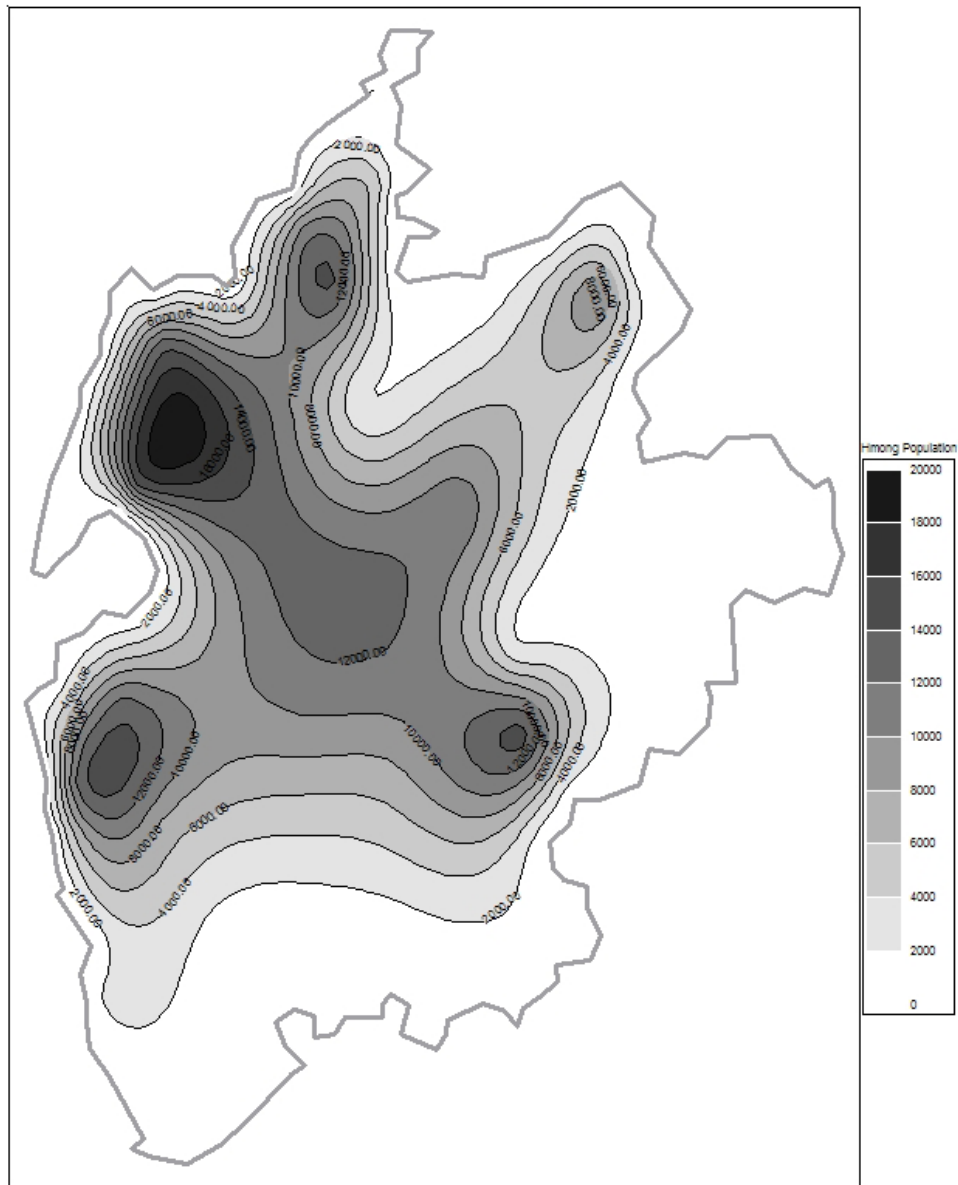
### A. Hmong, Han, and Tujia Population Distribution, 2004

(Data based on Table 2.1 and Figure 2.3)

(1) According to its population number among every town/township

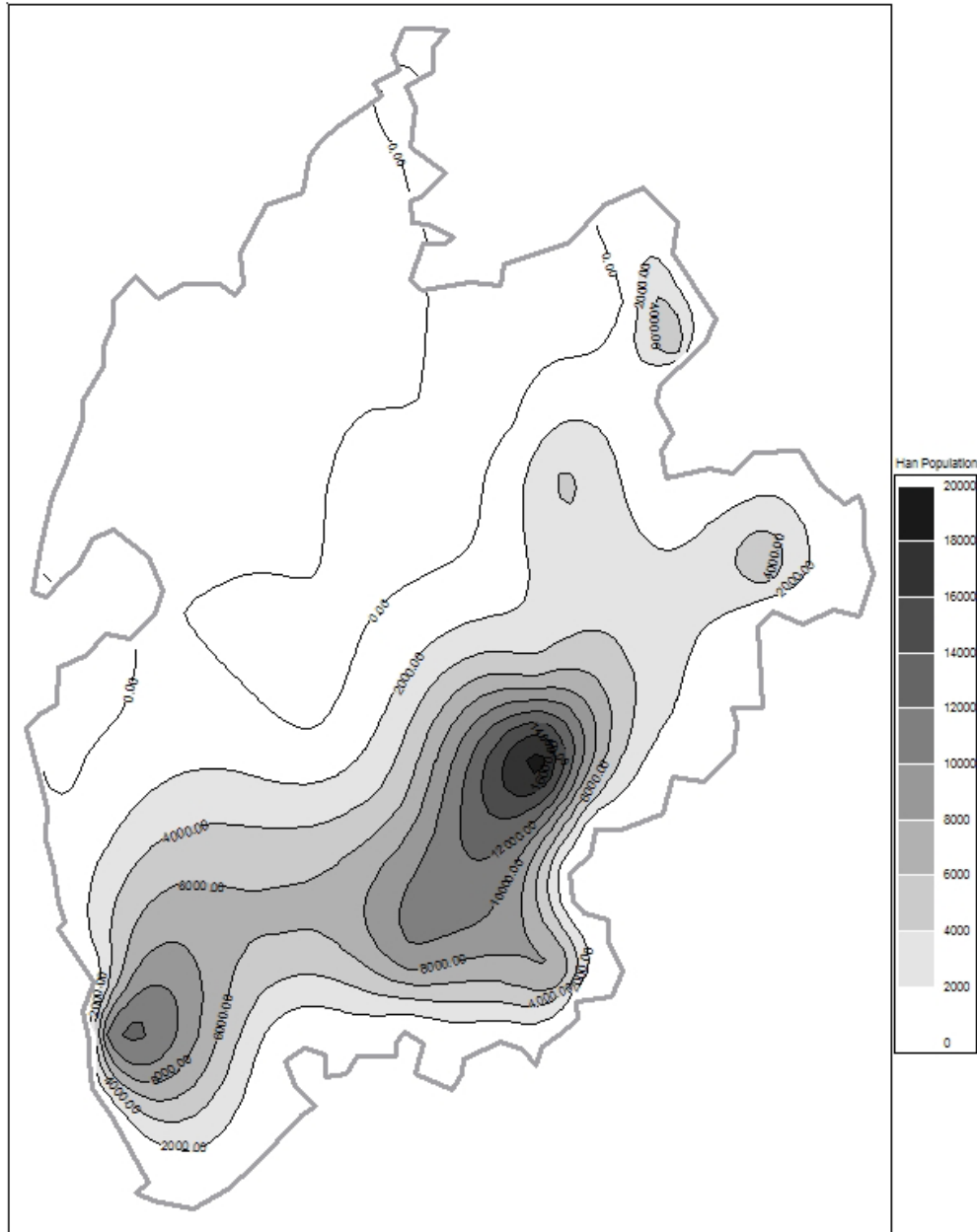
*Hmong population distribution*

The pattern reflects the local Hmong's migration direction from the remote highland northwest to the more urbanized lower southeast regions represented by Tuo River Town.



*Han population distribution*

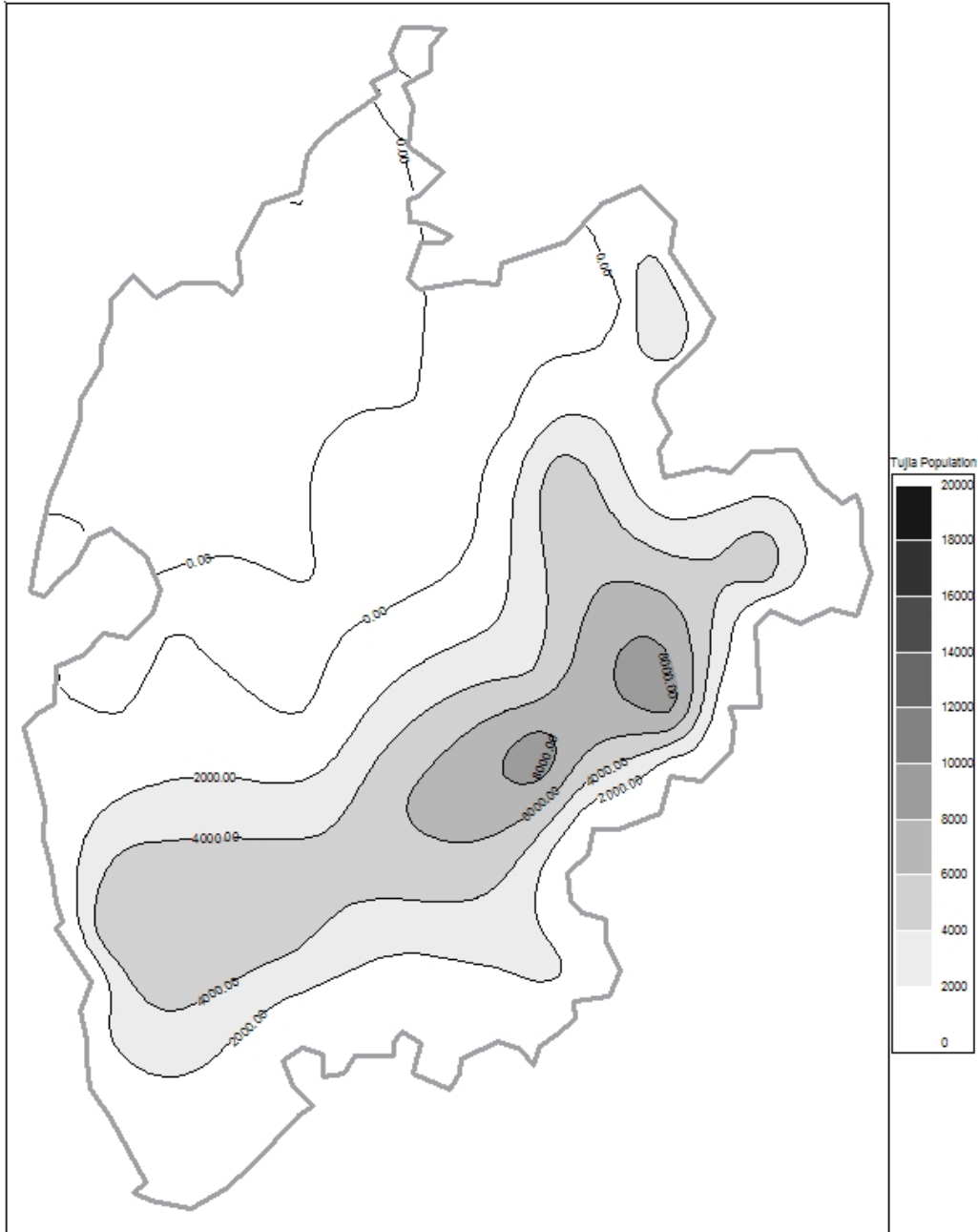
It shows the Han is concentrated around Tuo River Town and the areas southwest of Tuo River Town, where is Fenghuang's major tourist resource (the eight sites leased to YDCC) located.



*Tujia population distribution*

It shows the Tujia also lives in the lower southeast regions, overlapping with the Han.

However, the center of Han population is Tuo River Town and its south, but the center of Tujia population is Tuo River Town and its north.

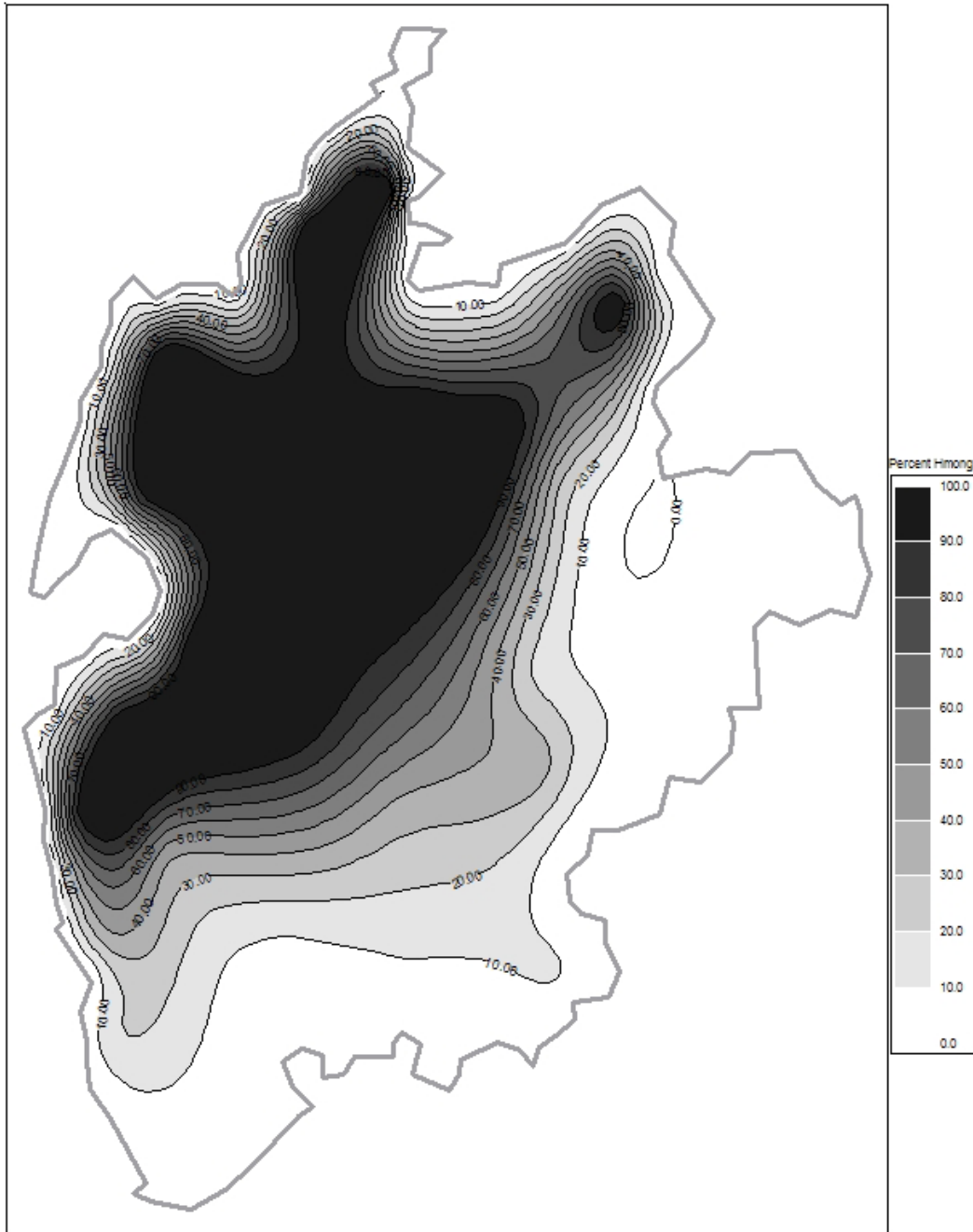




(2) According to its percentage of the total population of every town/township

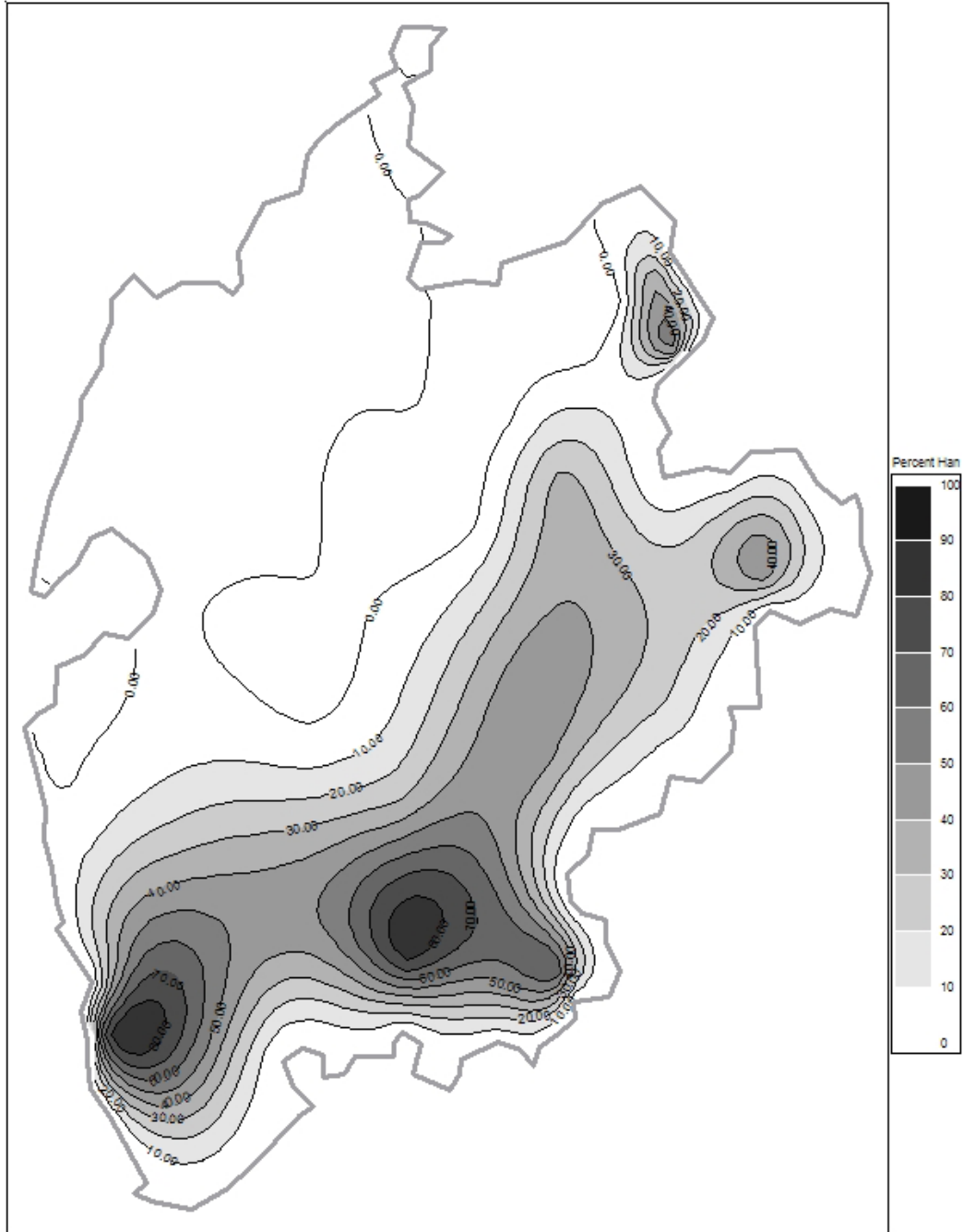
*Hmong population distribution*

The town/township in the highland northwest is dominated by Hmong or even exclusively resided only by Hmong.



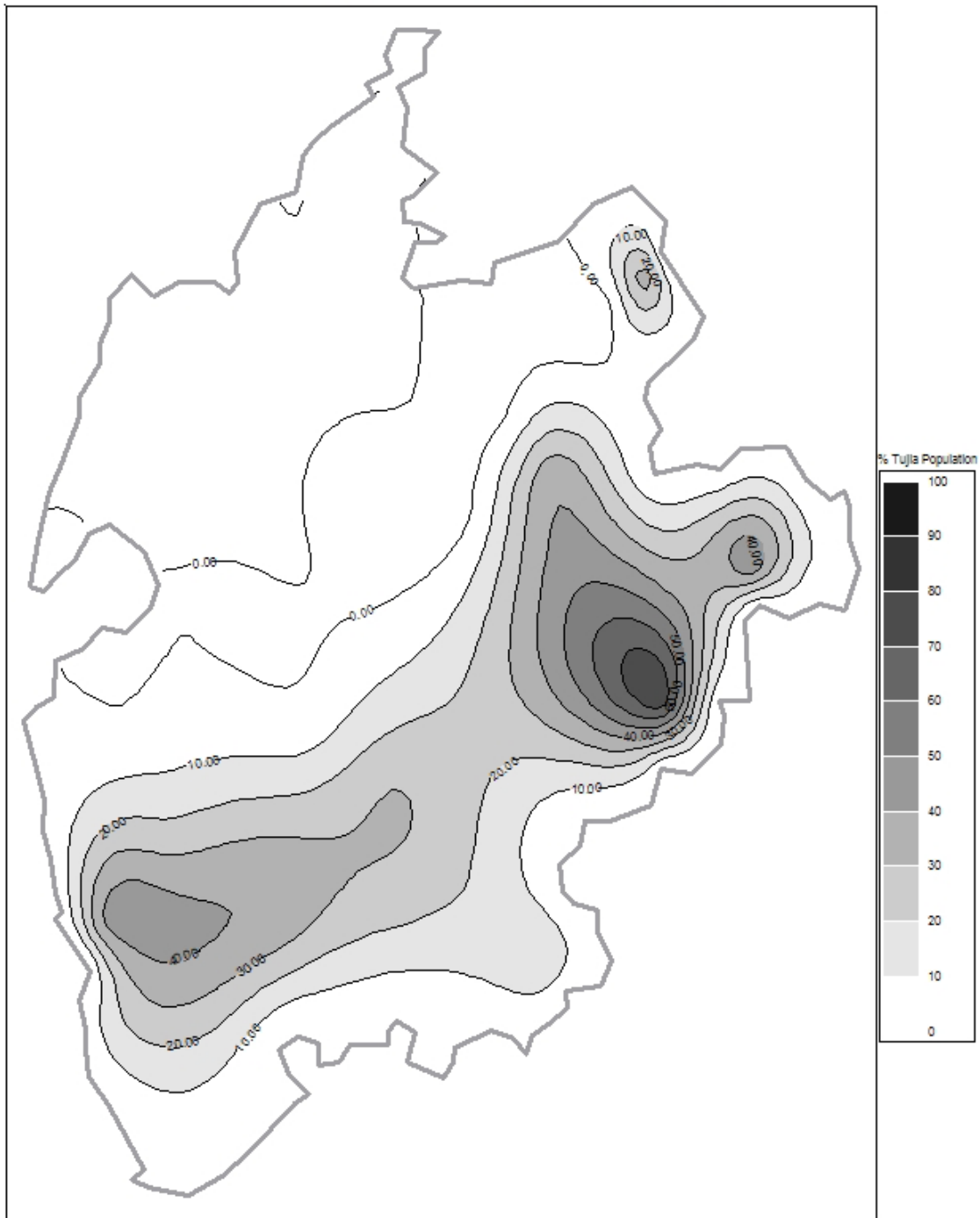
*Han population distribution*

It shows a very close distribution pattern as according to its population number.



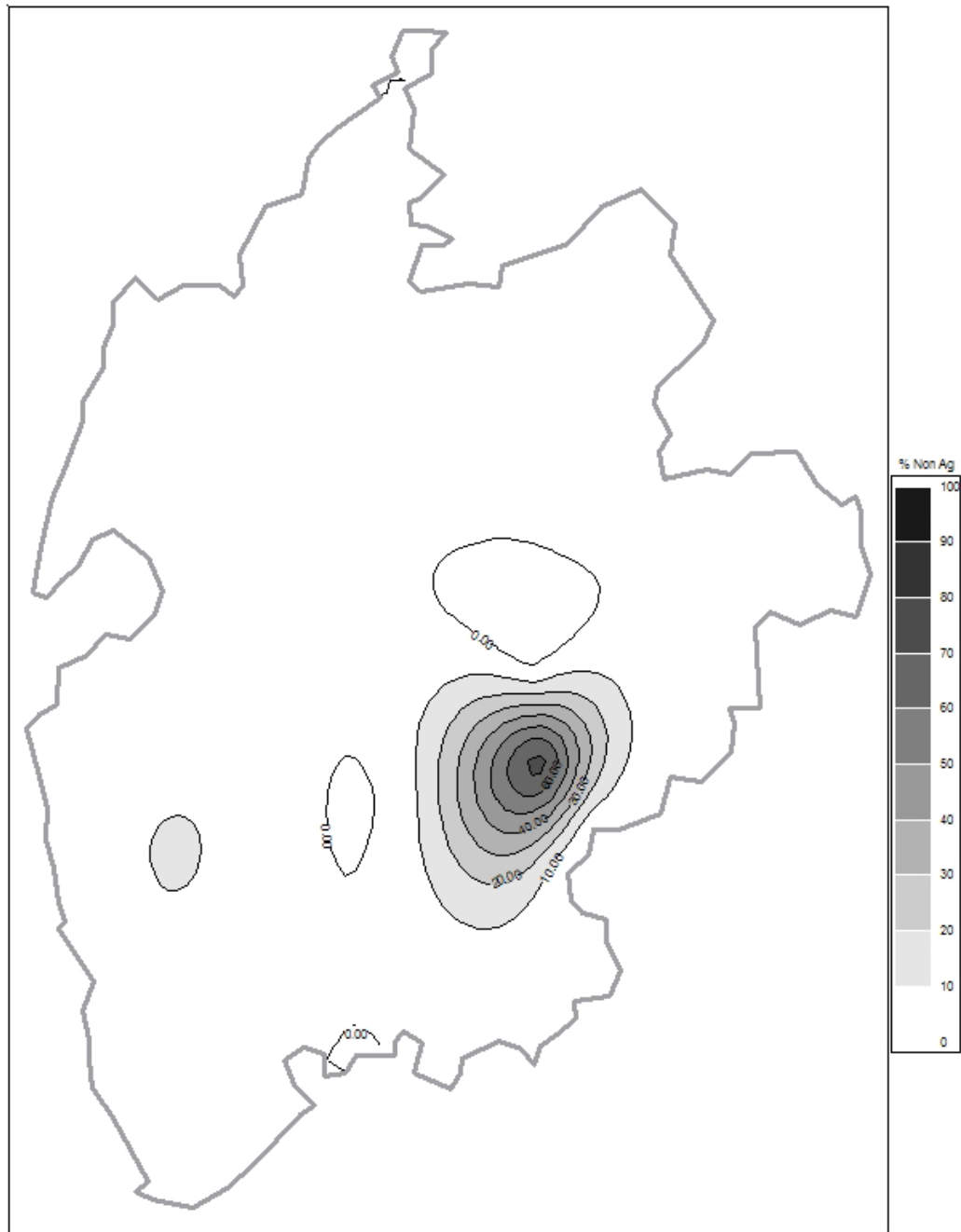
*Tujia* population distribution

It shows a very close distribution pattern as according to its population number.



**B. Distribution of Non-agricultural Population as Percentage of Every Town/Township's Total Population, 2004**

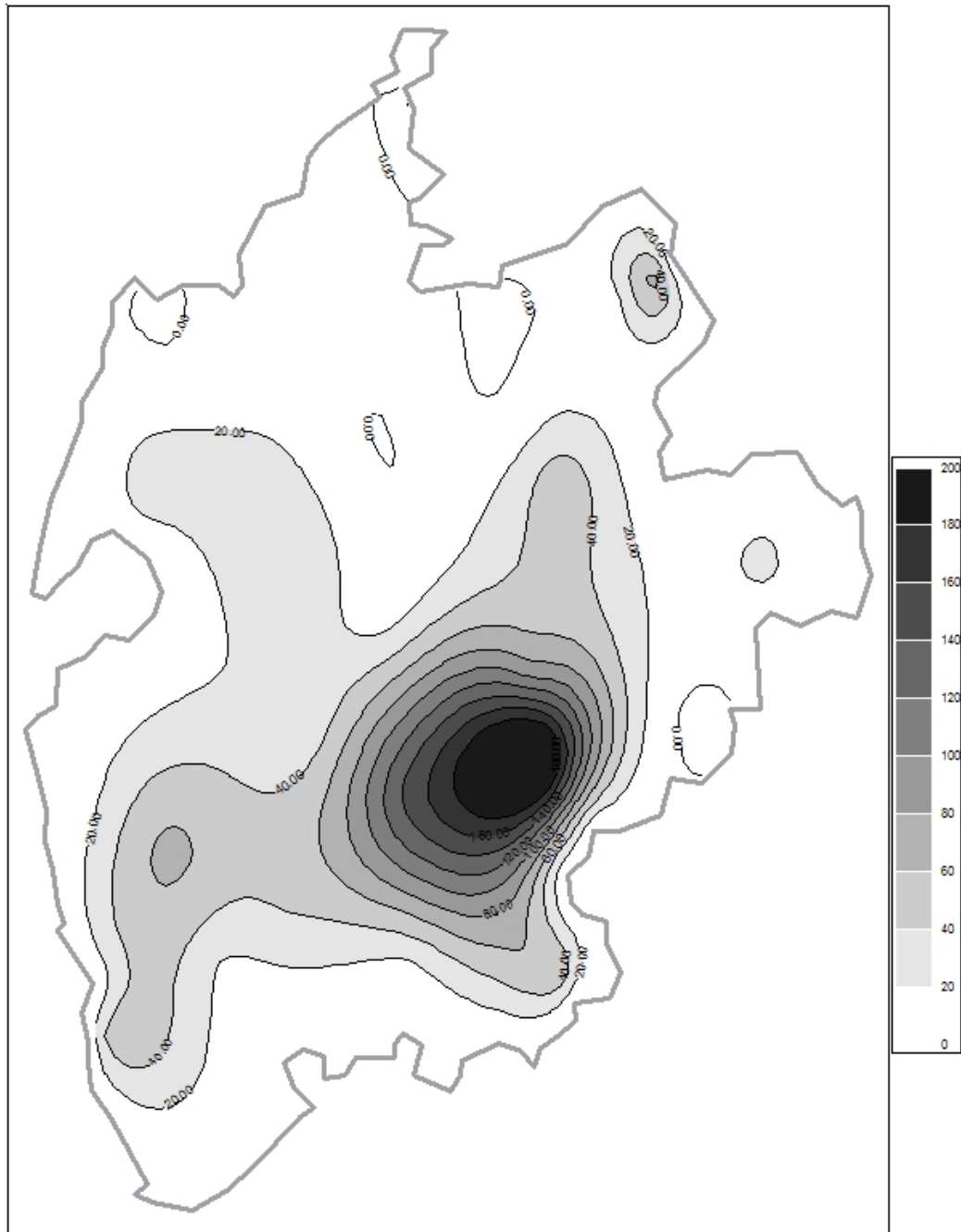
(Data based on Table 2.1 and Figure 2.3)



### C. Distributions of Town/Township Enterprises, 2003

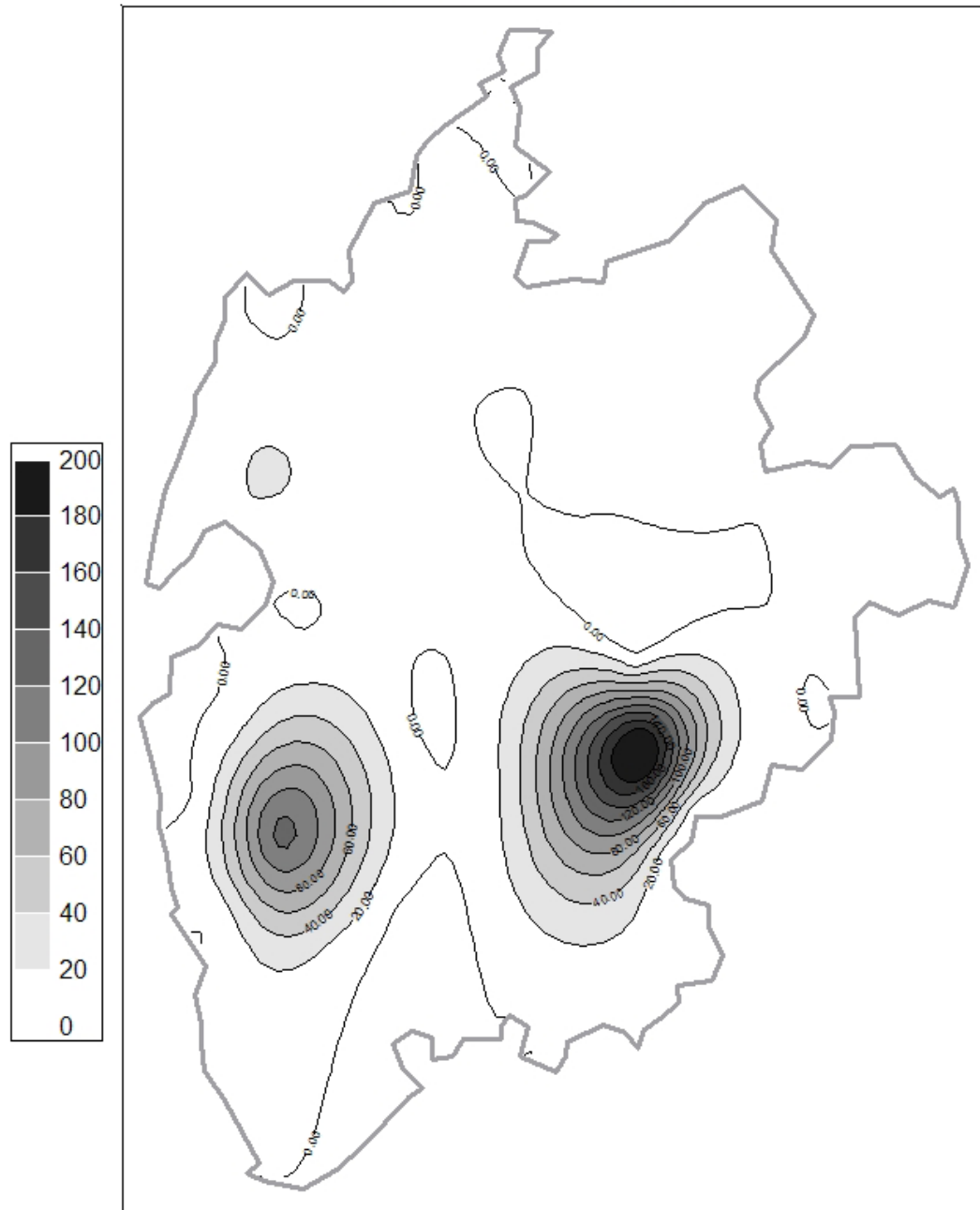
(Data based on Table 2.8 and Figure 2.3)

(1) Transportation Enterprises

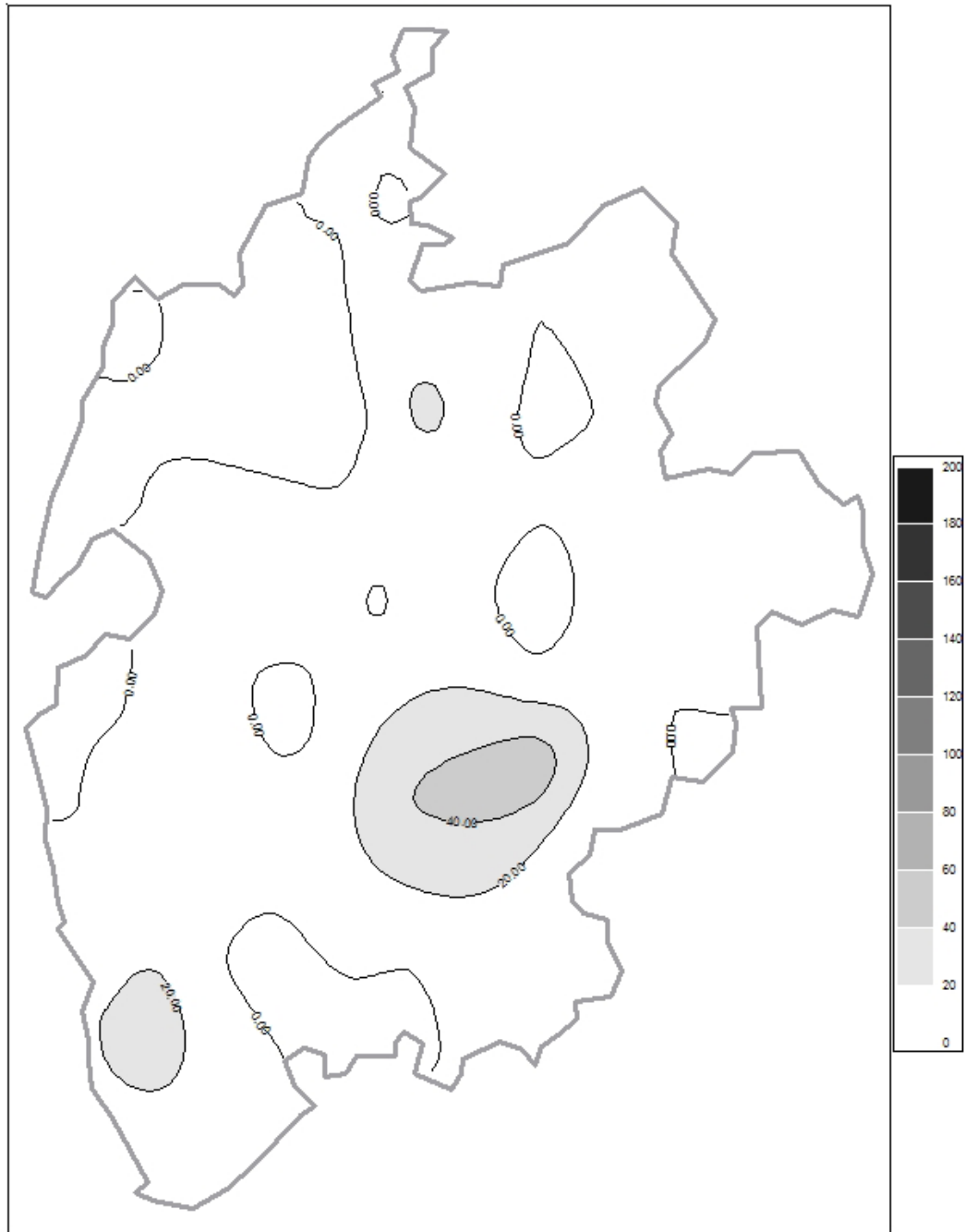


## (2) Lodging and Dining Enterprises

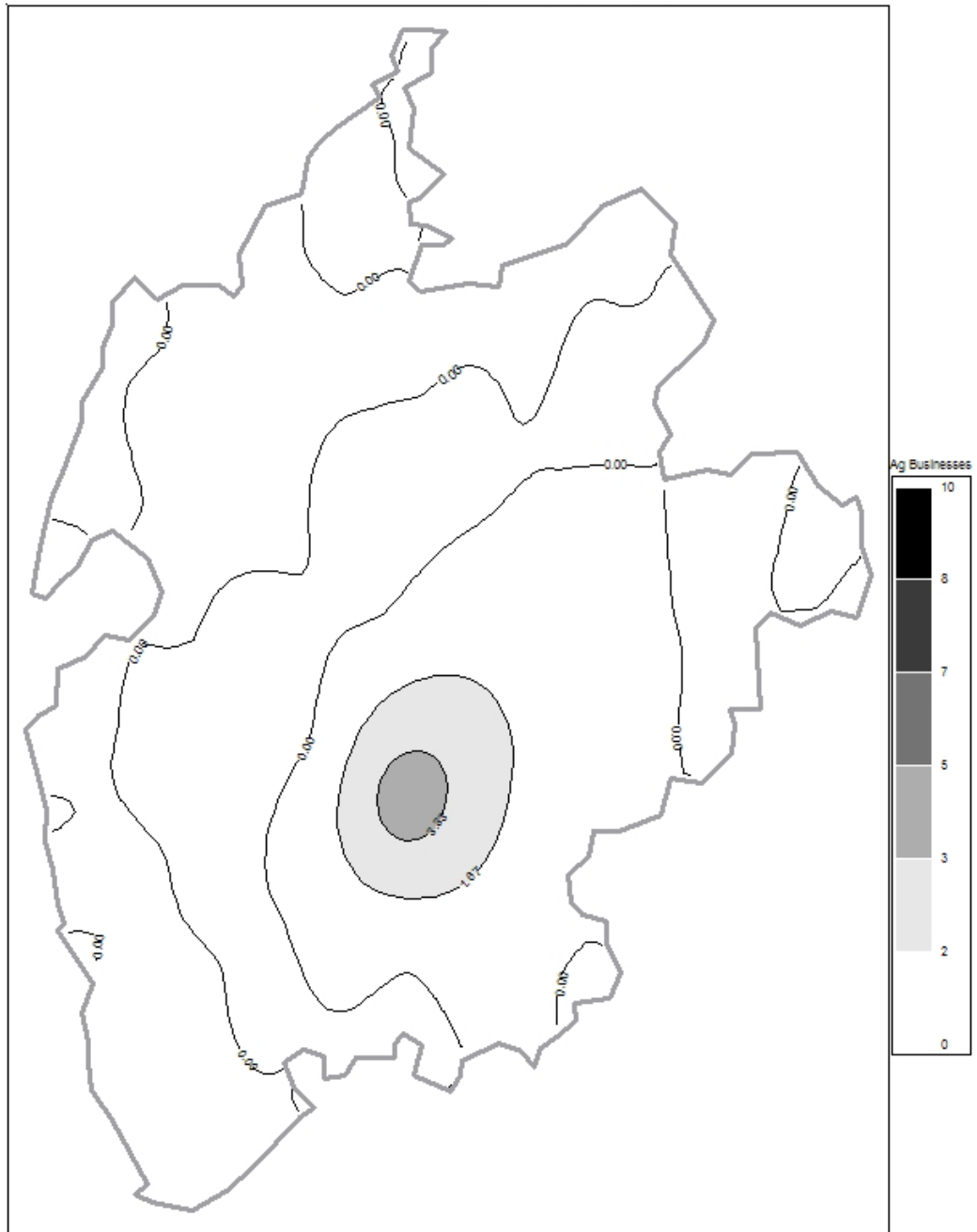
It indicates two prominent locations of town/township enterprises, where they are Tuo River Town with six of the eight leased tourist sites within or nearby, and Ala Town with the other two within or nearby.



(3) Construction Enterprises

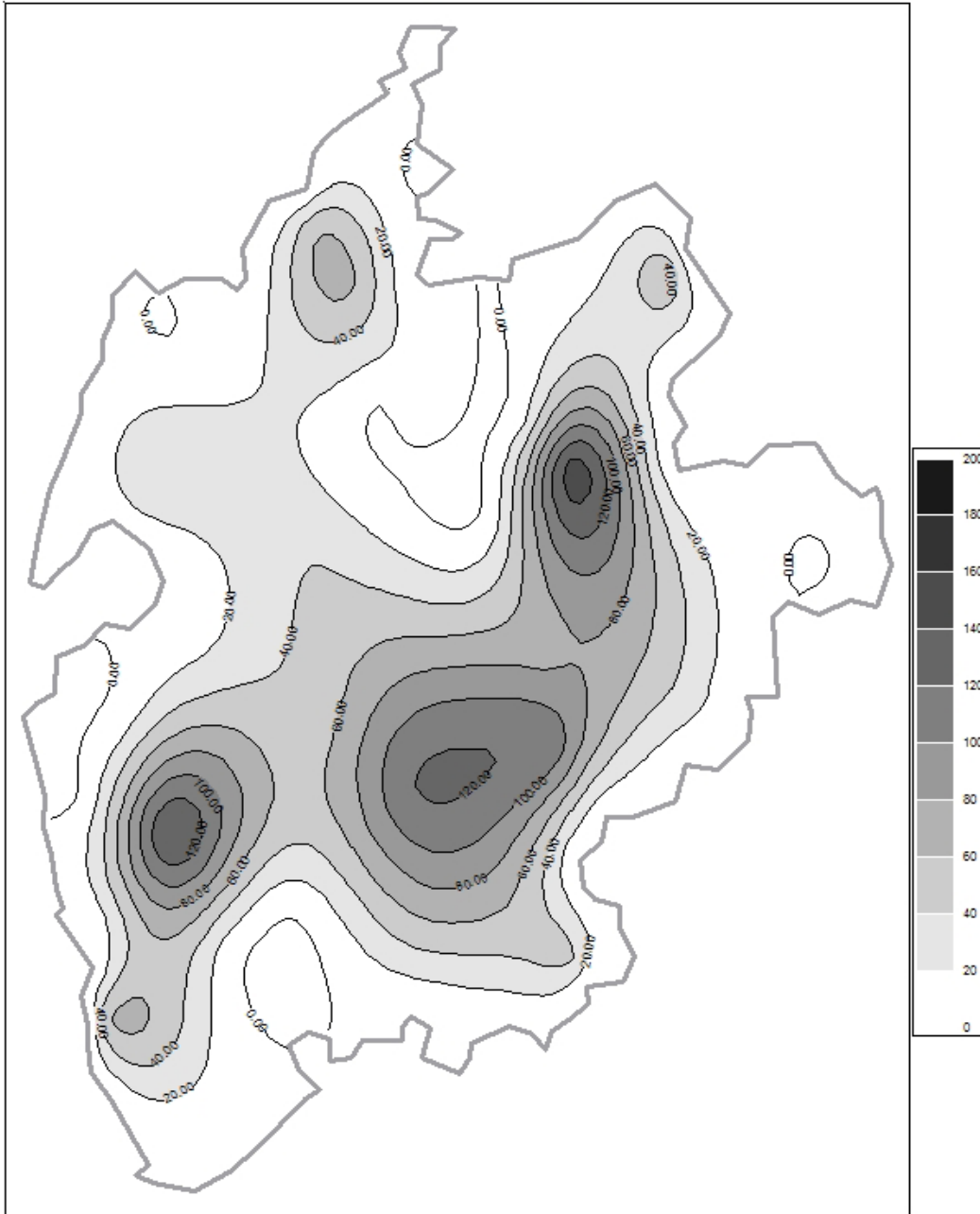


(4) Agricultural Enterprises





(5) Business Enterprises



(6) Industrial Enterprises

