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ALLEVIATING POVERTY VIA TOURISM: A CASE OF TOURISM COOPERATIVE IN YUNNA

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M.Phil

The Hong Kong Polytechnic University

2013
Alleviating Poverty via Tourism: A Case of Tourism Cooperative in Yunnan

By

YANG XIAOTAO

A thesis submitted in partial fulfillment of the requirements for the degree of Master of Philosophy

January 2013
CERTIFICATE OF ORIGINALITY

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__________________________

XIAOTAO YANG
ABSTRACT

A number of tourism cooperatives have been initiated in some rural areas of China. However, there is a lack of understanding of its role as an operating mechanism in poverty alleviation. This study explored the role of tourism cooperatives in helping the poor gain resources and power for the purpose of poverty alleviation, which has not yet been previously examined. A multidimensional understanding of poverty was introduced at the very beginning to establish the broad range of discussion. Yuhu Village, which adopted three different management approaches in its tourism business in the past 20 years, namely, individual operation, tourism cooperative operation, and renting to an external company, was selected as the study case. Qualitative inquiry was employed to capture the significance, process, and context of tourism cooperatives in relation to poverty alleviation. Two field studies, which cover 50 in-depth interviews with villagers and 15 with outsiders, were conducted in 2011 to understand the impact of tourism development on the experiences and living situations of the Yuhu villagers.

A multidimensional understanding of poverty is necessary in tourism studies to remedy its historical disconnect from poverty literature. As Scheyvens (2011) pointed out in her latest book *Tourism and Poverty*, no academic publication on pro-poor tourism has included a substantive discussion of the term “poverty.” This study firstly interviewed villagers’ perception of poverty, which supported the basic argument of this thesis, that is, poverty is not only a lack of material resources but also a lack of necessary resources to build human and social capital.
The establishment of the tourism cooperative resulted in substantial improvements. Based on the interviews, the resources and power changes were two main aspects of these improvements, which were further divided into both individual and collective levels. “Materials, skills, ideas, and social capital” comprise the individual resources. Collective resources benefits were identified as “education, elder welfare, infrastructures, collective funds, and voluntary work”. Individual power consists of the codes of “equality, well-being, outside support, force of public opinions, democratic, and sense of ownership.” “Bargaining power and trustworthiness” were formed by collective power. Overall, the poverty experienced by many villagers was alleviated in terms of both resources and power.

The measurement framework of livelihood resources in poverty literatures was employed to improve the validity of the analysis. Furthermore, this study utilized the resource dependence theory to measure the effectiveness of the organization by observing the dynamics of the resources and power exchanges between the organization and its development environment. Based on the abovementioned impact measurements, this study discussed five roles of the tourism cooperative, namely, as collective resources accumulator, benefits distribution coordinator, knowledge capital buffers, democracy and equality propeller, and power aggregate. This study also discussed how the cooperative could positively induce changes.

The current study suggests that tourism cooperatives can be an effective mechanism for achieving ‘pro-poor’ purpose via increasing businesses competitiveness, enhancing local participation and achieving collective benefits. Reflections on tourism
cooperatives and pro-poor tourism in the current study may provide useful information for tourism cooperatives and public agencies.

Key words: poverty alleviation, tourism cooperatives, community participation, Yunnan
ACKNOWLEDGEMENT

I wish to acknowledge many people who have devoted efforts along the euphoria journey of pursuing my M.Phil study.

Thank you, my parents and families, for endowing me with the freedom to pursue my dreams. I am always remembering your plain teachings to be a kind and sincere person.

I would like to express my sincere gratitude to my Chief Supervisor, Dr. Kam Hung for her great support, encouragement, and student-oriented philosophy. She has kept a watchful eye on my wonderings through my studies, always giving good advice on what to do and not to do. No matter how confused, fearful, and frustrated I was, she has patiently enlighten me to a bright direction and exhorted me to focus on long term goals. I appreciate her confidence in me on research. Also, thanks go to my co-supervisor, Professor Haiyan Song, who has contributed useful suggestions to this thesis among his tight schedule. He kept checking my progress whenever we met. In addition, I am indebted to Dr. Honggen Xiao for his role in shaping my academic outlook and for supporting my research with extensive methodological knowledge. His generous, patience, humble attitudes as always is respected.

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1 Introduction

China has long been an agricultural country, with a rural population of about 900 million. However, most rural areas have been lagging behind in terms of economic performance among all sectors in the nation (Yan, 2005). As a result, the government pays particular attention toward improving the economic income and alleviating poverty in these regions by establishing farmer cooperatives. To support such an initiative, the Chinese government has issued seven consecutive central No. 1 documents (the first national document every year that outlines the top priority of the nation in the coming year) from 2004 to 2010, in which clear directions have been provided to support farmer cooperatives in rural areas. For instance, the government encourages the development of farmer cooperatives with a wide range of support including provision of funds, training and special credit, enforcement of cooperative laws and legislation, establishment of standard farmer cooperative examples, and issue of management guidelines (P.R.C The Central Committee of the Communist Party of China and the State Council, 2004; 2005; 2006; 2007; 2008; 2009; 2010).

An example of farmer cooperative regulations is the Farmer Cooperatives Act of People’s Republic of China (P.R.C Standing Committee of the National People’s Congress, 2006), which was released in 2006. This act clearly outlines the registration requirements, membership, management board, financial management, rules of merger, separation, demission, and supporting policies of farmer cooperatives. In support of this policy, the central and provincial governments were advised to offer special assistance to farmer cooperatives on various aspects, including management information, training, certification, infrastructure construction, marketing, and technological advancement (PRC Standing Committee of the National People’s Congress,
2006). Moreover, the financial institution should provide financial support to farmer cooperatives that respond to this call. As a result, farmer cooperatives expanded quickly in rural areas (Zhang, 2009) with more than 400,000 registered farmer cooperatives by the end of March 2011, covering 12% of the rural population (Li, 2011).

At present, many rural areas in China strive to revive their economy, not only in traditional agricultural activities, but also in tourism. According to Mitchell and Ashley (2010), most tourists in poor regions are from high or upper-middle income countries. This situation might have contributed to the notion that tourism is the world’s largest voluntary transfer of resources from rich people to poor people (Mitchell and Ashley, 2010; Scheyvens, 2011). However, the resource flow should not be viewed as a guarantee as tourism businesses are well-known for having high “leakages” (Jamieson and Nadkarni, 2009; Mitchell and Ashley, 2010). Due to the lack of skill and experience in tourism, local communities are often excluded from tourism benefits and/or can only participate in tourism through labor employment. The unknown is where and how to intervene to make tourism benefit the poor.

The idea of alleviating poverty by nurturing cooperatives in agriculture has been widespread in the context of tourism. A quick search of tourism cooperatives on Google yielded 5,420,000 pieces of media coverage in Mainland China. Most of them were about establishing tourism cooperatives in various cities of China. A majority of the reports suggested that local residents are pleased to participate in tourism through cooperatives. Among the few media reports about the status quo of tourism cooperatives in China, tourism cooperatives were appraised to be sufficiently operated. A commonly quoted example is the Yuhu tourism cooperatives in Lijiang of Yunnan Province, in which tourism cooperatives suggested to relieve the villagers, who once were labeled by the public as barbarians (i.e., diaomin), of their traditional wood-cutting
livelihood with ecotourism businesses; the cooperatives were set up in 2004 (Zhang, 2009). Despite this widespread trend of establishing tourism cooperatives in China, little attention has been paid toward understanding if these initiatives have achieved their original goal (i.e., alleviating poverty in local communities). Therefore, the research questions that the current study seeks to answer are the following: Can tourism cooperatives achieve poverty alleviation? If yes, how do they alleviate poverty? If no, what are the reasons?

Inequity, vulnerability, powerlessness, and voicelessness have been identified in a previous study as the major causes of poverty (Alkire and Foster, 2011; Chimhowu, 2009; Feinstein and Picciotto, 2001; Foster, Greer, and Thorbecke, 1984; Galambos and Macmaster, 2005; Green and Hulme, 2005; Grusky, Kanbur, and Sen, 2006; Haughton and Khandker, 2009; Hayati and Karami, 2005; Hulme and Shepherd, 2003; Jenkins and Micklewright, 2007; Johnson, 2001; Krishna, 2007; Lloyd-Sherlock, 2000; Narayan-Parker and World Bank, 2000; Odur and Aryee, 2003; Ross, 2002; Smith and Stone, 1989). Participating in tourism cooperatives may provide the poor access to power and equality by pooling available resources together. Although researchers generally agree that poverty is a multi-dimensional concept, monetary gain has been a major focus of research on poverty alleviation. The role of resource and power in poverty alleviation, particularly in the context of tourism cooperatives, has generally been overlooked in the literature. Can tourism cooperatives provide poor people with access to more resources and power? Therefore, the first purpose of the study is to understand the effectiveness of tourism cooperatives in poverty alleviation from the perspective of resources and power.

In several studies, (Green and Hulme, 2005; Narayan-Parker and World Bank, 2000) civil organizations are the major source of resources and power for the poor. However, the role of organizations in poverty alleviation has been understudied. As noticed by a few renowned
scholars in poverty alleviation, such as Amartya Sen, Deepa Narayan, David Hulme, and Jeffrey Sachs, social context and environment are major contributors to poverty due to their exclusion of the poor from both formal and informal institutions. In addition, the poor do not have the means to escape the poverty trap (Green and Hulme, 2005; Johnson, 2001; Narayan-Parker and World Bank, 2000; Sachs, 2005; Sen, 2009). Poverty alleviation can be regarded as a long process of struggle by the poor in unfavorable natural, socioeconomic, and/or political environment. Learning how pro-poor organizations, such as tourism cooperatives, interact with and acquire resources from the environment is the key to understanding their effectiveness in poverty alleviation. What comprises the environment of tourism cooperatives? How do resources flow between tourism cooperatives and its environment? The second purpose of the study is to gauge the dynamic relationship between tourism cooperatives and their environment in an attempt to understand their effectiveness in poverty alleviation.

This study concerns three urgent issues that merit thorough examination: rapidly emerging farmer co-operatives in tourism industries that lack academic attention; extensive claims on the potential pro-poor effect of tourism that lack empirical evidence; and knowledge on poverty alleviation in the tourism community that needs to rely on the latest understanding of poverty in sociology. Therefore, this study examines the effectiveness and role of tourism co-operatives in poverty alleviation to advance understanding on both pro-poor tourism and poverty alleviation, which are among the Millennium Development Goals of the United Nations (UN, 2000). The concepts, such as those pertaining to material resources and the lack of human and social capital resources, as well as those concerning the lack of power in the form of participation and respect, provide new understanding of poverty. The evaluation criteria adopted in the study measure the
pro-poor effects of these concepts. Figure 1 below summarizes the study context and the pivotal concepts used. Figure 1 below summarized the study context and pivotal concepts in this study.

**Figure 1 Summary of Study Context and Pivotal Concepts**

<table>
<thead>
<tr>
<th>Research context</th>
<th>Pivotal concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing tourism cooperatives</td>
<td>Resources</td>
</tr>
<tr>
<td>Promising role of pro-poor tourism</td>
<td>Material</td>
</tr>
<tr>
<td>Multidimensional poverty</td>
<td>Psychological</td>
</tr>
</tbody>
</table>

With the evolving concern for the role of tourism cooperative in poverty alleviation, as along with the promising role of pro-poor tourism and the completed multidimensional understanding of poverty, this study was designed to address four research objectives as following to answer two research questions:

1. Understand what poverty means to tourism cooperative participants.

2. Measure the effectiveness of tourism cooperative in poverty alleviation.

3. Conceptualize the role of tourism cooperatives in poverty alleviation.

4. Explore the relationship within as well as between tourism cooperatives and its environment.
2 Literature Review

This chapter focuses on the definition of poverty and introduces the research domains, including poverty alleviation via tourism, co-operatives, and resource dependence theory. First, a brief discussion on poverty literature, which includes the definition of poverty, the levels and causes of poverty, and poverty alleviation via community-based organization, connects the present study to relevant sociology literature. The promising role of pro-poor tourism is then introduced. Second, criticisms of previous studies regarding pro-poor tourism are discussed by comparing the developments in poverty literature with pro-poor tourism literature. Third, contextual information about co-operative and tourism co-operatives is provided. Lastly, a brief review on the basic concepts and central themes of resource dependence theory provide a blueprint for this study. This review facilitates understanding of the developments in relevant research, as well as offers contextual information and justification for the present study.

2.1 Poverty

2.1.1 Definition

Poverty is inherently a dynamic and complex phenomenon that varies in space, time, gender, age, culture, and season (Green and Hulme, 2005; Johnson, 2001). The poverty line has been commonly used by various institutions to measure poverty. The first attempt of using a poverty line was in 1904 (Petrone, 2002). In order to obtain poverty estimates that allows for cross-country comparison, the United Nations (UN) and World Bank define poverty as the situation whereby income is below US $1 per day (Petrone, 2002). In line with the fast economic development, this poverty line has been revised to US $1.25 a day in 2008 (UN, 2009). However,
this poverty line varies in different countries. A high incidence of poverty is seen in West Africa when using the international poverty line standard of US $1 a day, but a much lower incidence when using West Africa’s national poverty lines (Oduro and Aryee, 2003). The poverty line in China was RMB 1,067 per year, or about US $0.37 per day, in 2007 (Ge, 2009), which is less than half of the UN standard.

Aside from establishing the income threshold, targeting beneficiaries is another way to identify the poor. Indicator targeting, geographical targeting, community-based targeting, and self-targeting are four major ways to identify the poor (Krishna, 2007). Age, acreage, asset holdings, education, employment, gender, place of residence, and daily consumption are the indicators usually used in defining the poor. Although indicator targeting is accurate in identifying the poor, its use is constrained by limited available information of a particular indicator. Geographical targeting is helpful to narrow down poverty areas, but it cannot determine the income gap within regions. Community-based targeting identifies the poor based on the community in which they reside. As inequality may exist between the rich and poor in the same community, the application of this method is limited. Self-targeting identifies the poor as they make themselves known by applying for some poverty aid programs. Generally, these four methods can be used separately or jointly, depending on the purpose of identifying the poor.

Some scholars define poverty as a lack of material assets, such as food, house, clothing, and medical care (Ross, 2002), whereas others define poverty based on normative rights and entitlements (Green and Hulme, 2005), access to resources (Sachs, 2005), justice (Lu, 2010; Sen, 2009), capabilities (Grusky et al., 2006; Sen, 2009), and social exclusion (Devicienti and Poggi, 2011). Different interpretations of poverty have been applied by various institutions. Such disparities are illustrated in Table 1. Overall, the information in Table 1 suggests that the lack of
material resources, choices and opportunities, power, and participation are inherent characteristics of poverty.
**Table 1**  *Definition of Poverty by International Institutions*

<table>
<thead>
<tr>
<th>Institution</th>
<th>Definition</th>
<th>Key words</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nation (cited in Ucha, 2010, p.46)</td>
<td>“Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and cloth a family, not having a school or clinic to go to; not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation”</td>
<td>Denial of opportunities, Violation of dignity; Lack of participation; Food; Education; Medical care; Powerlessness; Exclusion;</td>
</tr>
<tr>
<td>World Bank (2011)</td>
<td>Poverty is pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one’s life.</td>
<td>Income; Health; Education; Lack of voice; Insufficient opportunity</td>
</tr>
<tr>
<td>United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2007)</td>
<td>Poverty is not only a lack of income and productive assets (fertile land, security of land tenure, housing, irrigation), but also a lack of access to essential social and economic services (such as education, health care, water and sanitation, information, technology and markets) and a lack of power, participation and respect. These dimensions of poverty are interrelated and need to be addressed simultaneously to make a significant impact.</td>
<td>Lack of assets; Lack of access; Lack of power, participation and respect</td>
</tr>
<tr>
<td>U.S. Government Statistics (cited in Ross, 2002,p.115)</td>
<td>Poverty is defined as economic deprivation—that is, lacking the economic resources to meet basic needs—which can put families at high risk of material deprivation.</td>
<td>Economic deprivation</td>
</tr>
</tbody>
</table>
Since the late 1960s, sociologists have been attempting to interpret poverty from both the poor and scholars’ perspectives (Harper, 2001; cited in Hayati and Karami, 2005). Many suggested that people from the outside often define certain people as poor even though locals may not perceive themselves to be poor. In the seminal paper, The Original Affluent Society, Marshall Sahlins (2000) asserted that poverty is a relative social status in comparison with others based on their possessions. Consequently, relevant stakeholders need to analyze their own status. In the late 1990s, this viewpoint was widely adopted by researchers in other disciplines. For instance, the World Bank investigated over 40,000 poor women and men in 50 countries around the world in the 1990s and then asked the poor people to comment on their own poverty status. Many poor people vividly described their poverty based on their income, consumption, living condition, medical care, and feeling about the World Bank report, *Can Any One Hear Us?* (Table 2). Beyond outsider’s expectations, “no dignity,” “being forced to accept rudeness, insults, and indifference,” “loneliness,” “nowhere to go,” “deprivation,” and “discrimination” are the words used by poor people to express their suffering beyond material insufficiency. Their expressions call for a new interpretation of poverty, in which the provision of resources and power are central to poverty alleviation.
<table>
<thead>
<tr>
<th>Subject</th>
<th>Location</th>
<th>Definition</th>
<th>Key words</th>
</tr>
</thead>
<tbody>
<tr>
<td>A poor woman</td>
<td>Moldova</td>
<td>Poverty is pain; it feels like a disease. It attacks a person not only materially but also morally. It eats away one’s dignity and drives one into total despair. (p.2)</td>
<td>Pain, no dignity</td>
</tr>
<tr>
<td>A poor man</td>
<td>Kenya</td>
<td>Don’t ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty (p. 30).</td>
<td>Everywhere</td>
</tr>
<tr>
<td>Anonymous</td>
<td>Latvia</td>
<td>Poverty is humiliation, the sense of being dependent, and of being forced to accept rudeness, insults, and indifference when we seek help (p. 30).</td>
<td>Accept rudeness, indifference</td>
</tr>
<tr>
<td>Anonymous</td>
<td>Senegal</td>
<td>Your hunger is never satiated, your thirst is never quenched; you can never sleep until you are no longer tired (p. 35).</td>
<td>Never satiated</td>
</tr>
<tr>
<td>A 10-year-old children</td>
<td>Gabon</td>
<td>When I leave for school in the mornings I don’t have any breakfast. At noon there is no lunch, in the evening I get a little supper, and that is not enough. So when I see another child eating, I watch him and if he does not give me something I think I’m going to die of hunger (p. 35).</td>
<td>Die of hunger</td>
</tr>
<tr>
<td>A single mother</td>
<td>Guyana</td>
<td>Poverty is hunger, loneliness, nowhere to go when the day is over, deprivation, discrimination, abuse and illiteracy.</td>
<td>Loneliness, Deprivation</td>
</tr>
</tbody>
</table>

*Sources: Narayan and World Bank (2000)*

Three incidents are critical to our understanding of poverty alleviation over the years. First, in 1998, Amartya Sen, an Indian economist and philosopher, won the Nobel Economic Prize for
his contribution to the study of social welfare and poverty alleviation (Sen, 1999). Sen (1999) advocated that poverty should be understood from different dimensions, as poverty can be revealed not only in low income, but also in the failure to acquire certain basic capabilities. Such capabilities have wide contents, which include avoiding premature mortality, being in good health, being schooled and educated, being able to appear in public with no shame, and being able to participate in community life (Grusky et al., 2006). Sen’s multi-dimensional understanding of poverty is widely accepted by the general public, as evidenced by his Nobel Prize recognition.

Second, after the worldwide data collection in the 1990s, World Bank published an influential book Voice of the Poor: Can Anyone Hear Us? in 2000, in which one of the main arguments is to understand poverty from multi-dimensional perspectives (Feinstein and Picciotto, 2001; Jenkins and Micklewright, 2007; Johnson, 2001; Narayan-Parker and World Bank, 2000). The Voices of the Poor project is different from all other large-scale poverty studies by its use of participatory and qualitative research methods (Narayan-Parker and World Bank, 2000). Grounded on the poor’s interpretation of poverty, the World Bank suggested that poverty should be defined based on the poor’s material well-being (food security and employment), psychological well-being (power and voice), and cultural and social norms.

Third, at the 2000 Millennium Summit, one of the UN Millennium Development Goals (MDG) is set to “reduce by half the proportion of people living on less than a dollar a day by 2015.” To achieve the MDG, many countries have established national institutional mechanisms to monitor changes in national poverty levels (Green and Hulme, 2005).
The above paragraphs reveal that the understanding of poverty has gradually evolved from a material-centric stage to a multi-dimensional phase. Prior to the year 2000, poverty was referred to living below a certain defined threshold line of income and a set of specific material resources, which include food, calorie intake, shelter, medical care, nutrition, and individual welfare needed for basic survival (Hagenaars, 1991; cited in Wagle, 2002). After 2000, scholars reached a consensus whereby poverty is not only about having limited monetary and material resources, but also should include a broader spectrum of analysis on justice, capabilities, and social exclusion (Table 3). Although such multi-dimensional understanding of poverty can be traced back to the 1970s, it has not yet been taken into consideration for practice. This study will follow this well-acknowledged multi-dimensional poverty concept and explore the resource flow and power changes in tourism cooperatives. Based on the definition of the UN Economic and Social Commission for Asia and the Pacific (UNESCAP, 2007), poverty is not merely a lack of material resource, but also a lack of human and social capital, power, participation, and respect. The poverty perceived by local communities will also be studied. The comparison between their perception and UNESCAP’s definition of poverty will be conducted in data analysis.
Table 3 Poverty Defined from Different Perspectives

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Indicators</th>
</tr>
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<tbody>
<tr>
<td><strong>Definition from monetary perspective</strong></td>
<td></td>
</tr>
<tr>
<td>Townsend (1962)</td>
<td>“A possible definition of poverty might be developed on the basis of measuring how many households or families of certain types have a total income of less than 50 per cent or 66 per cent of the average” (p. 221).</td>
</tr>
<tr>
<td>MacPherson, Stewart and Silburn Richard (1998)</td>
<td>“Poverty refers to a basic lack of the means of survival; the poor are those who, even in normal circumstances, are unable to feed and clothe themselves properly and risk death as a consequence” (p. 15).</td>
</tr>
<tr>
<td>Hagenaars &amp; Vos (1988)</td>
<td>“Poverty is having less than an objectively defined, absolute minimum; having less than others in society; feeling you do not have enough to get along. “ (p. 212)</td>
</tr>
<tr>
<td>Nolan and Whelan (1996)</td>
<td>Poverty is the exclusion from the life of the society owing to a lack of resources (p. 2).</td>
</tr>
<tr>
<td><strong>Definition from multidimensional perspective</strong></td>
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<tr>
<td>Sen (1999)</td>
<td>“Poverty is at its extreme unfreedom, a state in which the person to achieve the inherent potential in their capabilities, that is to determine their own future”.</td>
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<tr>
<td>Green and Hulme (2005)</td>
<td>“Poor households are thus identified as those likely to have reduced income opportunities, to be headed by a single adult, to have a large number of dependants, for example, or to suffer from inadequacies in access to such inputs as fertilizers and tools, education, draught animals, or credit.”</td>
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<tr>
<td>Narayan-Parker and World Bank (2000)</td>
<td>“Poverty consists of multiple, interlocking dimensions. Poverty definitions focus on difficulties in securing food and livelihood. What is striking, however, is the extent to which dependency, lack of power and lack of voice emerge as core elements of poor people to protect themselves from shocks” (p. 64).</td>
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2.1.2 Level of Poverty

Poverty can be classified into different levels, depending on the resources and power possessed by the poor (Table 4). Sachs (2005) distinguished poverty as extreme, moderate, and relative:

“Extreme poverty means that households cannot meet basic needs for survival. They are chronically hungry, unable to access health care, lack of amenities of safe drinking water and sanitation, cannot afford education for some or all of the children, and perhaps lack rudimentary shelter- a roof to keep the rain out of the hut, a chimney to remove the smoke from the cook stove- and basic articles of clothing, such as shoes. Unlike moderate and relative poverty, extreme poverty occurs only in developing countries. Moderate poverty generally refers to conditions of life in which basic needs are met, but just barely. Relative poverty is generally construed as a household income level below a given proportion of average national income. The relatively poor, in high-income countries, lack access to cultural goods, entertainment, recreation, and to quality health care, education, and other perquisites for upward social mobility” (p.20).

Hulme and Shepherd (2003) divided poverty into chronic poor, transitory poor, and non-poor, based on the timing when poverty occurs. Chronic poverty is a long-lasting poverty status of at least five years. Bevan (2003, p. 18) further defined it more details that “…. people who remain poor for much of their life course, who may ‘pass on’ their poverty to their children, and who may die of easily preventable deaths because of the poverty experience”.

15
Table 4 Different Degrees’ Poverty

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<tbody>
<tr>
<td>high</td>
<td>Absolute poverty</td>
<td>Extreme poverty</td>
<td>Absolute poverty</td>
<td>Subsistence poverty</td>
<td>Chronic poor</td>
</tr>
<tr>
<td>low</td>
<td>Relative poverty</td>
<td>Relative poverty</td>
<td>Basic needs poverty</td>
<td>Transitory poor</td>
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2.1.3 Causes of Poverty

The causes of poverty range from economic to sociological factors, including low or no income, low education and skills, poor health status, lack of social security, remoteness, exclusion, and severe weather conditions (Green and Hulme, 2005; Oduro and Aryee, 2003). Sachs (2005) coined the term “poverty trap” to describe the dilemma of poor people who are unable to escape on their own from poverty due to extreme resource and power deprivations. Scholars (Green and Hulme, 2005; Narayan-Parker and World Bank, 2000; Smith, and Stone, 1989) further elaborated that the formation of the poverty trap is not because the poor people do not work hard to escape poverty, but because they have no access to resources and no power to change their situations. The situation of poor people would be worsened if they lose the hope of pursuing better living standards beyond their basic survival (UN, 2009). Sachs (2005) further identified the factors that trap people in poverty as follows: physical geographical disadvantages, fiscal deficiencies, governance failures, cultural barriers, geopolitics, and demographic trap (i.e.,
the likelihood to continue poverty in impoverished families because they choose to have many children). Haughton and Khandker (2009) group the causes of poverty by region, community, household, and individual levels. Although these factors are often suggested to cause poverty, they should not be generalized to all regions, as people from different regions perceive the cause of poverty differently (Haughton and Khandker, 2009).

Drawing from the work of Kerbo, Smith and Stone (1989) formulated four metatheories on the causes of wealth disparity and poverty, all of which provide the cognitive framework for evaluating all alleged poverty contributors. The first metatheory is individualism. The central theme is that individuals are ultimately responsible for their own status in society. Based on this perspective, poor people are poor because of their laziness, lack of thrift, and “loose” morals. The second metatheory is structural and situationalism metatheory, in which a broad social structure and situational forces are attributed as the causes of poverty. This metatheory indicates a vicious cycle whereby the poor are in a disadvantaged position due to unequal social structures, such as education, polity, labor, and capital. Based on this argument, pro-poor institutional economic researchers divided the poor into born-poor and institution-poor individuals (Lu, 2010). The term born-poor refers to those people who have difficulty in making a living by themselves due to their resource deficiencies. For those falling under institution-poor, poverty is due to the social institutions’ restrictions on people’s equality rights. The third metatheory concerns the cultural or subcultural dimension of poverty, which is a combination of individualistic, structural, and situational factors. Finally, fatalism metatheory attributes the causes of poverty to chance, quirks, luck, and related forces over which people have no control (Smith and Stone, 1989). Smith and Stone (1989) also studied the opinion of Americans on the causes of poverty and wealth. They suggested that cultural and individual factors have been widely accepted as causes
of wealth. Other studies (Hayati and Karami, 2005) showed that people in the Third World are more likely to attribute structural reasons to poverty than their Western counterparts. For instance, more than half of Iranian farmers attribute the causes of poverty to structural reasons. They blame the socio-economic structure and inequality in their society (Hayati and Karami, 2005).

These four metatheories reveal both internal and external causes of poverty. The internal causes refer to the individual factors that lead to a person’s poverty. Structural, cultural, and fatal factors are the external causes of poverty because the outcomes are beyond the poor’s control. External factors have been widely discussed because poverty itself can be a trap (Sachs, 2005), which indicates that the poor are more likely to remain poor due to their disadvantaged conditions. Sachs (2005) argued that when poverty is very extreme, the poor do not have the ability to break away from such a plight by themselves. Help from the external environment is often necessary for alleviating their poverty.

2.1.4 Poverty Alleviation via Community-based Organization

Reducing poverty has been an on-going challenge for developing and least developed countries. As concluded by UNESCAP (2007), the lack of access to essential infrastructure and services and lack of power and participation in decision-making contribute to poverty. Sachs (2005) also suggested that lack of resources and access are major development barriers. The poor are marginal to the mainstream in terms of social, material, and natural resources. Consequently, poor people have to develop their own institutions to ensure their basic security and survival.

Such institutions comprise a wide variety of formal and informal relationships that enhance societal productivity by making people’s interactions and cooperation more predictable and
effective. Institutions can be understood as complexes of norms and behaviors that persist over time by serving socially valued purposes (Uphoff, 1986). Sen (1984) also pointed out that institutions may enhance poor people’s rights to freedom, choice, and action. Narayan and World Bank (Johnson, 2001; Narayan-Parker and World Bank, 2000) further addressed the significance of institutions in the understanding of poverty. First, institutions affect people’s opportunities to gain wealth by establishing and maintaining access to social, material, and natural resources. Second, institutions can break the immobilization and inertia of the poverty trap through collective action and self-help orientations.

Institutions are divided into state and civil society institutions according to their ownerships (Table 5). Civil society comprises institutions that are not state-affiliated and are often the communication platform between households and the state (Hyden, 1997). Civil society institutions act as people’s primary points of access to social, material, and natural resources (Narayan-Parker and World Bank, 2000). Community-based organizations, which are defined as micro-civil institutions, are heavily relied on by the poor. These organizations, which are mobilized from the grassroots with the best interest of the community members in mind, can potentially help the poor gain physical and social capitals. First, government agencies and/or poverty-relief programs often reach out to these organizations, which then provide the link to poor individuals. Tourism cooperatives are typical community-based organizations that are set up for the common interest of their participants. In China, training and financial subsidies are offered by the government for establishing such cooperatives. For example, in Tibet, a government financial subsidy of RMB 100,000 is available to cooperatives if the scale of the cooperative involves more than 50 households.


### Table 5 Institution Typologies

<table>
<thead>
<tr>
<th>Scale</th>
<th>State Institutions</th>
<th>Civil Society Institutions</th>
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<tbody>
<tr>
<td><strong>Macro</strong></td>
<td>National and state governments</td>
<td>NGOs</td>
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<tr>
<td></td>
<td>District administration</td>
<td>Religious and ethnic associations</td>
</tr>
<tr>
<td></td>
<td>Judiciary</td>
<td>Trade unions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Caste associations</td>
</tr>
<tr>
<td><strong>Micro</strong></td>
<td>Local governments</td>
<td>Community-based organizations</td>
</tr>
<tr>
<td></td>
<td>Local police</td>
<td>Neighborhoods</td>
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<tr>
<td></td>
<td>Health clinics</td>
<td>Kinship networks</td>
</tr>
<tr>
<td></td>
<td>Schools</td>
<td>Traditional leaders</td>
</tr>
<tr>
<td></td>
<td>Extension workers</td>
<td>Sacred sites</td>
</tr>
<tr>
<td></td>
<td>Traditional authority</td>
<td>NGOs</td>
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Sources: Narayan and World Bank (2000)

However, studies have pointed out that the poor are often excluded from social institutions; poor-operated institutions, such as tourism cooperatives, have little value to engage the poor with wider institutional bodies (Galambos and Macmaster, 2005), which results in limited access to resources (Green and Hulme, 2005). Understanding the dynamic relationships within the tourism cooperatives and between cooperatives and larger institutions is critical in illumination the manner through which disadvantaged groups use institutions as a stepping stone to resources.

### 2.2 Poverty Alleviation via Tourism

#### 2.2.1 The Promising Role of Tourism in Poverty Alleviation

The promising role of tourism in poverty alleviation has been supported by persuasive statistics (Mitchell and Ashley, 2010; Scheyvens, 2011; Zhao, 2009). Tourism is the primary source of foreign exchange earnings in 46 of the 49 poorest nations that have been described by the UN as the Least Developed Countries (LDCs) (Hall, 2007; Muhanna, 2007). Tourism
accounts for 48.7% of all the service exports from the LDCs, compared with 38.3% from developing countries as a whole and 35.6% from the entire world (Frangialli, 2011). About 80% of African Poverty Reduction Strategy Papers include a reference to encouraging tourism (Gerosa, 2003). The tourism industry is claimed as the world’s largest voluntary transfer of resources from the rich to the poor (Mitchell and Ashley, 2010; Muhanna, 2007; Scheyvens, 2011). From the perspective of the flow of benefits, the direct, indirect, and induced tourism effects on the poor have been systematically analyzed in a recent publication entitled Tourism and Poverty Reduction (Mitchell and Ashley, 2010). Financial resources, non-financial resources, and political power benefits due to tourism are the commonly recognized positive effects of tourism in poverty alleviation (Chok, Macbeth, and Warren, 2007; Scheyvens, 2011). Jobs, income-generating opportunities, and collective community income from communal land or gate takings help the poor improve their living condition within their local communities, which poses an alternative to migrating out (Muhanna, 2007). Jobs and businesses are major direct benefits of tourism for the poor. According to the World Travel and Tourism Council in 2010 (World Travel and Tourism Council, 2011), over 250 million people are directly and indirectly employed in the tourism industry, accounting for 8.6% of all jobs in world. Tourism also creates many business opportunities for the local community. Tourism represents one of the few economic opportunities available to remote communities (McKercher, 2003). Scheyvens (2011) further noted that the poor access more information and participate in more decision-making from tourism development. Furthermore, tourism seems to grow robustly worldwide compared with the agricultural and manufacturing industries, particularly for less-developed countries. Between 2000 and 2009, international arrivals in the LDCs grew by 11% annually, twice the rate observed in other developing and emerging countries and three times the world average (Frangialli, 2011).
For the abovementioned attributes, poverty alleviation has been addressed on top of the tourism agenda (Hall, 2007; Zhao and Ritchie, 2007). World Tourism Organization (UNWTO, 2007) asserted that tourism is a key agent in the fight against poverty and a primary tool for sustainable development. The previous and present secretary general of the UN both advocated for tourism as a tool for poverty alleviation. Kofi Annan (2005; cited in Frangialli, 2011, p. 12) suggested that “in today’s globalized economy there can be no doubt that tourism offers considerable potential for mobilizing the human and material resources of the developing countries and contributing to the achievement of the Millennium Development Goals.” Present Secretary General Ban-Ki Moon (2011; cited in Frangialli, 2011, p. 12) also expressed the same point of view as follows: “when approached in a sustainable manner, tourism can help drive economic growth and alleviate poverty. In fact, tourism has proved to be one of the leading ways for the least developed countries to increase their participation in the global economy.”

The relationship between poor people and tourism is mutually beneficial. The poor people expect to benefit more from tourism industry beyond jobs and business opportunities. Through his study of the expectations on tourism, Roe, Goodwin, and Ashley (2002) found that the poor put high expectations on tourism development in helping them achieve better infrastructure, improve communication with the world outside the community, enhance community income based on communal lands, share profit from joint ventures, revitalize cultural traditions, and lead to greater pride. The poor can build on the natural and cultural capital upon which tourism is dependent, even if they lack the financial resources (Ashley et al., 2001; Muhanna, 2007). Meanwhile, the poverty phenomena attract tourists as well. Some tourists visit less-developed destinations because of the low cost, authentic culture, close host-guest relationship, or social responsibility. Some voluntourists visit poverty areas and help local poor people with their time,
money, and labor (Scheyvens, 2011; Zhao and Ritchie, 2007). Specialized service products for the rising population of voluntourists are provided by travel agencies or charity organizations.

Tourism also plays a significant role in establishing poor women’s social status in their community. As mentioned in poverty literature, poverty varies by gender, and women are frequently identified as the most vulnerable party (Narayan-Parker and World Bank, 2000; Okech and Gumede, 2009). Women continue to face discrimination in the labor market and gender inequity at home. In comparison to other modern sectors, a higher proportion of tourism benefits are incurred due to women’s participation in tourism (Spenceley and Goodwin, 2007). Few empirical studies echo this point. For instance, in the case study at Guangxi Province of China, up to 86% of small tourism businesses are owned by females, which indicate a strong and positive effect of tourism on women’s employment (Zhao, 2009).

Tourism, however, has been criticized by its high leakage, low payment, and low participation. According to Cottrell (2001), 70% of the money spent by tourists in Thailand leaked out from the country through foreign-owned tour operators, airlines, hotels, imported drink and food, and so on. This deficiency has decreased the pro-poor effects of tourism. Moreover, tourism is a labor-intensive industry. Workers, particularly in the hotel industry, face difficult conditions characterized by low wages, over-dependency on tips, long working hours, stress, lack of secure contracts, poor training, and almost no opportunities for promotion (Beddoe, 2004, p. 5). Real mass public participation seldom happens to the poor in tourism due to a variety of operational, structural, and cultural barriers embedded in impoverished areas (Tosun, 2000).
2.2.2 Research on Poverty Alleviation Via Tourism

Several terms are employed in poverty alleviation studies on tourism, such as pro-poor tourism (PPT), sustainable tourism eliminating poverty (ST-EP), antipoverty tourism (APT), tourism against poverty (TAP), and tourism as a tool for development (TT4D). The UK Department for International Development (DFID) first proposed the term PPT in 1999. PPT is tourism that results in increased net benefits for poor people and is not a specific product or niche sector but an approach to tourism development and management (Pro-poor Tourism Partnership, 1999). ST-EP refers to poverty elimination in sustainable tourism, proposed by UNWTO (2002). APT is used as a unifying concept to refer to any tourism development in which poverty alleviation is the central or one of the central objectives (Zhao and Ritchie, 2007). TAP is used mainly to call for socially responsible and sustainable travel. TT4D, which is the advocacy of tourism as a tool for development (Jamieson and Nadkarni, 2009), was proposed as a more suitable terminology than PPT in light of ongoing global economic meltdown and developing tourism without a condescending approach. These terms have been used interchangeably in studies on poverty alleviation via tourism. PPT is the most widely used term. Extant studies have been conducted, and study results were disseminated via various means, including PPT partnership on their website www.propoortourism.org.uk (Chok et al., 2007; W. Zhao and Ritchie, 2007), and in special issues of Current Issues in Tourism (Volume 10, issues 2 and 3, 2007), Third World Quarterly (Volume 29, issues 5, 2008), and the Asia Pacific Journal of Tourism Research (Volume 14, issues 2, 2009).

Researchers, public, development organizations, and governments have been actively interacting with each other to develop effective frameworks for poverty alleviation through tourism over the last decade. Two significant international partnerships, STEP (2002) and PPT
Partnership (1999) have been launched to frame studies on the documents, strategies, principles, good practices, and challenges of using tourism as a poverty alleviation tool. The STEP program was launched by UNWTO and the United Nations Commission on Trade and Development (UNCTAD) in 2002. It aims to promote socially, economically, and ecologically sustainable tourism and acts as a gateway to the development and reduction of poverty among the world’s least developed countries (UNWTO, 2002). A total of 90 STEP projects have been or are currently being implemented in 31 countries (Frangialli, 2011). Those projects are carried out in poverty areas in the world, almost half of which are in Africa, some in Central America and the Andean countries, and the rest in Asia and Europe.

The project on PPT Strategies (2000–2001) was carried out by the Pro-poor Partnership, International Centre for Responsible Tourism, the International Institute for Environment and Development, and the Overseas Development Institute as a collaborative initiative to alleviate poverty in tourism. It is designed to assess what has already been done in different countries to develop PPT and to identify good practice in practical fields. Caroline Ashely, Harold Goodwin, and Dily Roe are the key persons leading this project who drafted several valuable reports on pro-poor tourism. The PPT strategy project started with seven work reports in 2001 on practical strategies for PPT in developing countries worldwide, later applied in a range of poor countries in 2003 (Ashely, 2003). This groundwork provides a common analytical framework for guiding and assessing PPT.

The economic significance of tourism for developing countries has been recorded since the 1970s (Hall, 2007; Harrison, 2008; Zhao and Ritchie, 2007). The commonly held belief on tourism’s pro-poor impact is that the local poor can benefit from tourism via better employment opportunities, public welfare, and social network (Jamieson and Nadkarni, 2009; Sofield, 2010).
On the call for PPT, Zhao and Ritchie (2007) provide an integrative research framework with four analysis levels: poverty alleviation, determinants, antipoverty tourism themes, and stakeholders. This framework sets a broader context for examination in a tourism-based approach to poverty alleviation. Three hints from this framework are employed in this study: (1) Zhao and Ritchie (2007) point out that destination competitiveness, local participation, and destination sustainability are three crucial themes in APT research. Destination competitiveness is the representative of market power, which refers to the ability of a firm/organization to raise price above the competitive level without losing so much sales so rapidly (Landes, 1981). Local participation is a manifest form of political power, which tends to work out pro-poor policies. Gaining resource and power in the long run achieves destination sustainability. These three crucial themes are further discussed in the resource dependence theory section. (2) Macro- and micro-environment analysis, recommended by Zhao and Ritchie (2007), is also involved in this study. The macro environment of APT represents the forces that broadly affect all human activities in a global scope (p.133). (3) Six primary stakeholder groups (i.e., the poor, government, private sector, tourists, civil society, and aid donors) have been identified by UNWTO and PPT Partnership as the key parties in pro-poor tourism. These six primary stakeholders are identified in the theoretical sampling of data collection.

### 2.2.3 Assessment and Ways Forwards

Conventional tourism statistics of tourist arrivals and expenditure or tourism satellite accounts indicate little about tourism impact on the poor. Value chain analysis is employed to address this need. Value chain analysis is well established in examinations of differential market relationships of developing country firms with other economic sectors (Harrison, 2008; Mitchell and Ashley, 2010). Value chain means the full range of activities required to bring a tourist to a
destination and provide all necessary services (e.g., accommodation, catering, retail, and excursions) (Mitchell and Ashley, 2009). This method traces and maps the cash flow to find the key points where interventions could expand income opportunities for the poor. However, the social impact of tourism on the poor have not yet been considered in value chain analyses (Zhao and Ritchie, 2007). Appropriate assessment should be financially feasible as well as socially, culturally, and environmentally beneficial for locals. Further, this method is, by nature, comprehensive and requires extensive work in data collection and validation (Harrison, 2008; Zhao and Ritchie, 2007) but has been applied somewhat simplistically. The application of this method is limited.

Poverty alleviation via tourism studies is not merely limited in itself but also lag gaps with poverty studies. Small community, fragmented tourism development, and theoretical inadequacies are three major deficiencies of PPT. PPT is easier said than done. Although PPT appeals to many development agencies, researchers in tourism and poverty alleviation are still a small community (Zhao and Ritchie, 2007). Second, related research has been quite fragmented (Zhao and Ritchie, 2007). However, studies on PPT are mostly about tourism’s potential effects on poverty alleviation. Summarizing the impact of tourism on different poverty communities and formulating a generic efficient pro-poor plan are difficult to carry out because of various forms of tourism and poverty. Different tourism forms can have different effects on poverty alleviation. Although many studies have been conducted to understand the social, environmental, and anthropological impact of tourism, limited studies have specifically narrowed down tourism effects on the poor (Mitchell and Ashley, 2010). Existing literature is also mainly case study–driven and oriented to practical implications (Zhao and Ritchie, 2007) instead of focusing on theory development (Harrison, 2008). Therefore, the way forward for PPT studies is to become
part of the academic mainstream and engage with the academic community, especially those involved in development studies (Goodwin, 2008; Harrison, 2008). This study discusses the poverty alleviation mechanism based on the resource dependence theory, which is a worthwhile test for identifying the underlying mechanism of PPT and has the potential to attribute to the body of PPT knowledge.

On the other hand, a fundamental weakness of PPT may be its disconnection from poverty literature (Scheyvens, 2011). Poverty research agenda has existed for decades, whereas PPT seems to be a relatively new discourse (i.e., since 2000). No academic publication on PPT has included a substantive discussion of the term poverty (Scheyvens, 2011). Second, few researchers have tried to understand the benefits of tourism from the poor’s perspectives (Zeng and Ryan, 2011). Moreover, understanding of pro-poor tourism should include a wider spectrum of analysis beyond the economic aspect. According to Hall (1994), tourism is basically an open system that incorporates not simply economic but also contemporary and traditional cultures, the natural environment, and socio-political dimensions, including the structure of power. Political power has been recognized as an important element in PPT (Chok, Macbeth, and Warren, 2007; Scheyvens, 2011). Consequently, a way forward is to draw experience from poverty literature to discuss poverty from the poor’s perspectives and discuss beyond the economic scope. This study intends to mend this gap by examining the effects of tourism cooperatives on poverty alleviation from the poor’s point of view and by adopting a multidimensional approach when evaluating the pro-poor effects of tourism.
2.3 Cooperatives

2.3.1 The History of Cooperatives

The distinctive arrangement and functions of cooperatives make them a desirable mechanism for disadvantaged people to achieve viable outcomes through collaborative efforts. The first cooperative dates back to 1844. The Rochdale Society of Equitable Pioneers was the earliest consumer cooperative, which comprised of workers who went on strike for higher pay. As their appeal for a salary raise was not approved, their basic living was threatened because of limited pay. They had to turn to cooperatives in such a plight to conquer poverty (Kallen, 1946). The participants shifted their concerns from individual interests to “united interests” during their co-operating process only after a long time (Kallen, 1946). The Rochdale cooperative successfully alleviated members’ poverty by improving their market barging power. Its success sets a series of good management principles for latecomers in the aspects of maintaining democratic management and social equality among members. As a result, over a thousand cooperatives were established in Britain in the following 10 years (Birchall, 1994). In 1895, the International Cooperatives Alliance (ICA) was founded in London, aiming to provide cooperative guiding principles and develop international trade. The ICA (2007) defines a cooperative as an autonomous association of persons united voluntarily to meet common economic, social, and cultural needs and aspirations through a jointly owned and democratically operated enterprise. The ICA (2007) argues that cooperative guiding principles should include voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community. ICA principles may enable tourism cooperatives to
put their philosophy into practice. The ICA (2011) has 258 member organizations from 96 countries, representing more than 800 million individuals worldwide.

Cooperatives are a broad concept, varying with type, country, and time. The Mondragon cooperative, the largest-scale cooperative in the world, is a worker-collaborated organization based in the Basque region of Spain. This cooperative has covered 32 countries with 137 sub-cooperatives in the past 60 years. Systematic education, medication, welfare, and banks have been settled to provide services to its participants (Ignacio, 2011). However, a majority of cooperatives are small-scale, composed of several households for certain common goals. In more economically developed countries, cooperatives are a means by which low- and middle-income people could gain economic advantages (Richard and Birchall, 2008). In less economically developed countries, the cooperative is a way of modernizing traditional economics. These cooperative organizations share four common characteristics according to the ICA definition: voluntarily united, meeting common needs and aspirations, jointly owned, and democratically operated.

Cooperatives are generally divided into three types based on union objectives: producing, consuming, and credit (Wang, 2004). Producing cooperatives refer to people uniting to sell goods or services they produced; consuming cooperatives refer to group purchasing of certain goods to get a discounted price; and credit cooperatives refer to pooling members’ money and lending the money to members in need with low interests. The naming of cooperatives is often context-specific. For instance, in corn production, corn agriculture production cooperative is used. Tourism cooperative is a producing cooperative in which tourism services are created and sold at collective effort among members.
The pro-poor effect can be traced back to the first cooperatives established in 1844. Rochdale Cooperative helped working class people to get out of poverty via cutting out their living costs (Richard and Birchall, 2008). Brichall (2004) also suggests that cooperatives contribute not only to poverty reduction but also to meeting other Millennium Development Goals, promoting gender equality, providing health care services, tackling the HIV/AIDS pandemic, and ensuring environmental sustainability. Simmons and Brichall (2008) discuss the role of cooperatives in poverty reduction from the perspective of network. Three major arguments have been made: (1) cooperatives are member-owned businesses that provide access to the economic development of poor people; (2) the history of cooperatives shows some achievement in poverty reduction, such as cutting the cost of living for working-class people; and (3) common pool resources are managed under democratic management, which is deemed to be a more sustainable way of development. Two suggestions are made by Richard and Birchall (2008) to further explore the role of cooperatives in poverty alleviation: (1) the study should be carried out in a specific case and location, and (2) context analysis is important because environment affects cooperative performance. This study responds to Richard and Birchall by examining a tourism cooperative in Yunnan and its dynamic relationship with the development environment.

2.3.2 Tourism Cooperatives

In a review of cooperative trends, Verma (2006, p. 57) indicates that “cooperatives are aware to diversity in new areas like tourism.” However, as applying the concept of cooperatives to tourism is a rather recent phenomenon, very limited discussion of tourism cooperatives exists in scholarly publications. Based on the ICA definition, tourism cooperative is defined in this study as a voluntary association of persons in the tourism industry to meet common economic, social,
and cultural needs and aspirations through a jointly owned and democratically operated organization.

No readily available statistics of tourism-specialized cooperatives in China exist. For an initial understanding of the use of tourism cooperatives in China, the investigator searched cooperatives on Baidu, the most popular web search engine in China, and found 49,400,000 search results. When the researcher searched for tourism-specialized cooperatives, 2,180,000 results were yielded, which is 4.4% of the former. Tourism-specialized cooperatives have been most extensive in agricultural production, with hundreds of cooperatives emerging in recent years.

The positive effect of tourism cooperatives on poverty alleviation has been postulated in some case studies. In the context of Greece, women’s cooperatives have played an important role in the development of agrotourism in villages along with the promotion of the social and economic role of women in the countryside (Iakovidou, 1997). In a case study from India, Verma (2006) concludes that tourism cooperatives facilitate the protection of ethnic culture while ensuring economic viability and a truly enriching experience for tourists. Gorman (2005) carried out research on three tourism cooperatives offering accommodations in Irish rural tourism. Tourism cooperatives successfully help farmers in remote areas sell accommodation products to tourists. Gorman (2005) also identified a number of barriers to the development of tourism cooperatives, including group identity, communication among members, and the distribution of power within the organization. In conclusion, although some scholars have started to pay attention to tourism cooperatives, a theoretical understanding of tourism cooperatives has not yet been pursued. Such an understanding is deemed necessary for knowledge accumulation as well
as for providing practical implications for other communities on how they may alleviate poverty via tourism cooperatives.

Despite the newly emerged trend of applying cooperatives to the tourism context, research on tourism cooperatives in China is scarce. Among the very few studies concerning this topic, Yang (2005) discusses the possibility of promoting community-based ecotourism through the establishment of a Community-based Ecotourism Cooperative Association. Given the present development problems of rural tourism businesses, including low benefits, small scale, and low competitive ability, Hu (2009) suggests that the specialized cooperative may be an answer for reforming rural tourism management. However, in Hu, the tourism cooperative is only briefly mentioned, without further interpretation. The effectiveness of tourism cooperatives in poverty alleviation remains unknown. More specifically, the role of tourism cooperatives in helping the poor gain resources and power for poverty alleviation has not yet been examined. The resource dependence theory, which is a philosophy about corporate behavior in relation to accessing power and resources from an external environment, is used as a guiding framework in this investigation.

### 2.4 Resource Dependence Theory

#### 2.4.1 Basic Concepts

The preliminary premise of the resource dependence theory is that organizational activities and outcomes are closely related to the exogenous environment in which the organization is embedded (Pfeffer and Salancik, 2003). Understanding the ecology of the organization is the basic step to understanding, managing, and controlling the organization. No organization is completely self-contained. Acquiring resources from other organizations is inevitable. Resource
flow exists between organizations via the channels of federations, associations, customer-supplier relationships, competitive relationships, and a social-legal apparatus. The challenges to organizations arise not only through an organization’s resources and its relationship with the environment but also through the constantly changing environment. The ability to acquire and maintain resources from the exogenous environment becomes a key indication of organizational performance (Boyd, 1990; Casciaro and Piskorski, 2005).

Lack of resource and power (Craig and Porter, 2003) is the most commonly identified cause of poverty. Resources needed by the poor includes not only basic living manifests, such as food, shelter, and clothing (Craig and Porter, 2003), but also resources that may enable them to get out of the poverty, such as social capital and human assets (Zhang, Yang, and Gu, 2008). The dimensions of resources include both human and social capital, with the former referring to health, education, and labor (Narayan-Parker and World Bank, 2000) and the latter to social networks, including friends, neighbors, and professional ties. Panama (1998, cited in Narayan-Parker and World Bank, 2000) suggests that social capitals are essential for the poor to cope with economic, social, and political challenges.

Johnson (1995, p.4) further listed a number of resources for an organization, including “raw materials, capital, personnel, information, technology and technological innovations, social support, various services and production operations not performed by the focal organization.” Barney (1991) suggests that an organization tends to adopt three types of resources: physical, human, and organizational capital resources. Following Barney’s classification, Marzano and Scott (2009) suggest four typologies of resources from the market perspective: material, structural, information, and individual resources. Material resources refer to tangible resources, such as money, possessions, and control of critical infrastructure. Structural, information, and
individual resources are intangible. Structural resources refer to the resources the organization has because of the organization’s social position; individual resources refer to the individual characteristics of the organization’s members, such as charisma, expertise, skills, and knowledge (Marzano and Scott, 2009). This classification of organization resources coincides with poverty studies, in which the lack of structure, information, and individual resources has been identified as the cause of poverty (Nolan and Whelan, 1996). Tourism cooperatives are newly emerged economic bodies that need to acquire the same resources as other organizations’ to excel in the market environment.

The participants of tourism cooperatives ally to share, aggregate, exchange, and access resources to generate otherwise unavailable competitive advantages for the organization (Casciaro and Piskorski, 2005). As the poor lack tangible material resources and intangible human and social capital for development, this collaborative strategy utilizes individuals’ limited resources by combining them with other members’ resources. The amount of combined resources may still be limited, but this combination is more likely to result in optimal returns (Das and Teng, 2000). Low entry barriers in terms of technology and capital make it possible for the poor households to start up a tourism business considering their lack of resources (Zhao and Ritchie, 2007). However, this is not always the case. Zhao (2009) suggested that the threshold for running a small tourism business might not be as low as commonly stated in pro-poor tourism studies. To investigate the resources flows between an organization and its environment in the effort to understand how the poor people cope with resource deficiency via cooperative mechanism, the researcher develops a resource matrix on the basis of different resource types and major resource flows among cooperatives.
Following the discussion on resources, power, which is closely connected with resources, will be discussed. Most current definitions of power are derived from the early Weberian’s definition that power is “the probability that one actor within a social relationship would be a position to carry out his own will despite resistance” (Weber, 1947, cited in Mitchell, Agle, and Wood, 1997). Following Weber, Pfeffer and Salancik (1978, p.230) rephrase power as “the ability of an organization to influence decisions in ways that produce outcomes favoured by the organization”. A critical concern of most organizations is how to obtain sufficient resources from external environment. Evidences from empirical studies (Pfeffer and Salancik, 1978; 2003) showed the ability to obtain relative important resources appear to be an important determinant of an organization’ power within a social structure. Provan and his colleagues (1980) provided further empirical support for this hypothesis.

Power is a multidimensional concept which can be perceived differently by different people. Wrong (1974, cited in Marzano and Scott, 2009) classified power into four dimensions: force, manipulation, persuasion, and authority. The force power refers to “the creation of physical obstacles restricting the freedom of another” (Wrong, 1974, p.251). Manipulation power is “the acts of negotiation that involve a measure of distortion, deception or exploitation” (Wrong, 1974, p. 252). Persuasion power refers to “the argumentation intended to make the respondent adapt to the opinion of the controller” (Wrong, 1974, p.253). Authority power, which is the forth form in Wrong’s power typology, is defined as “the institutional code within which the use of power as medium is organized and legitimized” (Wrong, 1974, p. 253). Beritelli and Laesser (2011) reviewed previous work on power dimensions and indicated that authority power stems from four aspects: status and legitimacy; intelligence, experience/ skill; knowledge; and assets. According to the board resource definition, those four determents separately fall into different
resource categories: structural resources; individual resources and information resources; individual resources; and material resources. This connection echoes the power analysis in resource dependence view.

From the perspective of resource dependence theory, power organizes around critical and scarce resources. When an organization furnish with critical and scarce resources, they obtain more control over other organizations. Organizations exchanges resources with other organizations and its power is determined by resource importance, discretion over resource allocation and use, and concentration of resource control (Table 6) (Pfeffer and Salancik, 1978). Two aspects of resources should be addressed in identifying critical and scarce resource for power: the relative magnitude of the exchange and the criticality of the resource. The relative magnitude of an exchange is measured by assessing the proportion of total inputs or outputs accounted by the exchange. Criticality of resource means the importance of the resource to the organization’ continuous functioning. The second determination of power is the discretion over resource allocation and use. Such discretion is a major source of power. Pfeffer and Salancik (1978; 2003) further argued that discretion over resource allocation encompasses four concerns: 1) possession; 2) control its access; 3) control the actual use of the resource and who controls its use; 4) make rules or otherwise regulate the possession, allocation, and use of the resources and to enforce the regulations. Knowledge, information, and ownership are resources controlled in possession fashion. People’s knowledge and information on operating tourism business builds their power in the professions. The second discretion basis, proposed by Pfeffer and Salancik (1978; 2003), is control the access to a resource, referring to the ability to influence the allocation of the resource. The third discretion basis is the actual use of the resource, which refers to the ability to make regulations and rules. The forth basis, who controls its use,
determines the very existence and concentration of power. In conclusion, power derives from the concentration of resource control, or the extent to which input or output transactions are benefiting a relatively few or only one, significant organizations (Pfeffer and Salancik, 1978; 2003). Therefore, the study will examine the inter-organizational and intra-organizational resource flows and analyze the discretion and concentration of those critical and scarce resources.

**Table 6 The Process of Analysis Power**

<table>
<thead>
<tr>
<th>Determinant of power</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical and scarce resources</td>
<td>• Relative magnitude</td>
</tr>
<tr>
<td></td>
<td>• Criticality</td>
</tr>
<tr>
<td>Discretion</td>
<td>• Own possession: Knowledge, information, and ownership</td>
</tr>
<tr>
<td></td>
<td>• Control its access</td>
</tr>
<tr>
<td></td>
<td>• Control the actual use</td>
</tr>
<tr>
<td></td>
<td>• Make rules and regulations: determine the very existence and concentration of power</td>
</tr>
<tr>
<td>Concentration</td>
<td>• Few alternative</td>
</tr>
</tbody>
</table>

*Sources: Pfeffer and Salancik (1978; 2003)*

“The process of enabling persons to master their environment and achieve self-determination” is defined as empowerment in community development discourse (Sofield, 2003). Empowerment process generally connected with concepts of self-help, participation, networking and equity. Sofield (2003, p.81) summarizes previous studies and conclude that participation is a
vital part in empowerment study since such involvement in decision-making affecting people’s lives opens a door to the key determents of power -- “confidence, self-esteem, knowledge, and new skills.” Community participation levels has been developed into a wide range from manipulative participation, passive participation, participation by consultation, participation for material incentives, functional participation, interactive participation, and to self-mobilization (Pretty, 1995). Therefore, the gauge of the participation levels of cooperative participants is likely to reflect empowerment status.

The essence of poverty alleviation is to enhance the power and the participation in decision-making (UNESCAP, 2005) of the poor who are often powerless, alienated, or marginalized (Narayan-Parker and World Bank, 2000; Sofield, 2003). However, tourism resource is often regarded as a property of the government, and is developed in most cases by the government and enterprises (Murphy, 1985) often disregarding the residents of the involved local community. The poor people are vulnerable to the adverse impacts of tourism in their local community yet their voices are often ignored (Narayan-Parker and World Bank, 2000). However, unorganized state, small size, weak competitiveness, and poor quality of market operation have become the main defects of rural tourism development and pro-poor tourism (Song, 2009). Wang and Li (2009) echoes this point based on their abundant first-hand information. These studies generally imply that absence of power is detrimental to the effectiveness of pro-poor tourism. Market power of poor individuals must urgently be uplifted for them to benefit from tourism. Roger (2010) promotes the idea of small tourism businesses working together rather than competing against each other, to enhance their competitiveness.

Measuring organizational effectiveness has never been an easy task due to its multidimensional nature. Pfeffer and Salancik (1978) noted that organization effectiveness often
refers to an external standard of how well an organization is meeting the demands of various stakeholders. It is evaluated through the different perspectives of interest groups, creating a multifaceted concept varied depending on the stakeholders and evaluation criteria. Evaluation is primarily based on whose interest is being served. Consequently, obtaining measures or estimates from various stakeholders is the balanced way to assess the organizational effectiveness. Cooperative participants, cooperative management board, and external stakeholders are the three major interest groups in tourism cooperative’s effectiveness assessment whose opinions will be included in this study for the overall effectiveness assessment of pro-poor effect of tourism cooperatives.

2.4.2 Central Themes

The Resource Dependence Theory has three central themes namely, organization-environment relationship, constraints encountered by an organization, and power construction (Pfeffer and Salancik, 2003). The success of an organization depends on the resources available in its exogenous environment. Therefore, understanding organization-environment relationships is a stepping stone to mobilizing resources in meeting stakeholders’ needs. Accurate interpretation and prompt reaction to the environment are important to the success of a business. Theoretically, every organization should have its own system for gathering, screening, selecting, and retaining information. Pfeffer and Salancik (2003) identified three important aspects of understanding organizational environment: 1) how an organization learns about its environment, 2) how it attends to the environment, and 3) how it selects and processes information.

Organizational operations always entail constraints, or those undesirable and restricting to an organization’s development. A factor can be interpreted as either an opportunity or constraint
depending on how well the organization responds to the environment. Pfeffer and Salancik (2003) concluded that an organization should be able to identify, interpret, and deal with the various inevitable constraints such as physical realities, social influence, information and cognitive capability, as well as personal preferences. Organizations can take strategic actions, such as changing products, customers, suppliers, and governing bodies, to adapt to the environment. Effectively managing resources is the key to alleviate constraints and adapt to the changes in the environment.

Beyond the importance of environment and opportunities, power construction also plays a role in the courses of both intra-organizational and inter-organizational behaviors. Organizations’ interdependence and their location in social space influence their power construction in the environment. The contests for power and leadership are occurring not only between organizations, but also within the organizations. Gulati and Gargiulo (1999) explained the formulation of inter-organization network from the resource perspective. Accompanying the resources exchange process and flows, information exchange and trust among members are fundamental to the inter-organization network. Since alliance is a means to managing environmental uncertainty, the inter-organization trust among members and information exchange is affected by external power and resources.
2.4.3 The Whole Blue Print

Figure 2 Analytical Framework of Resource Dependence Theory

Environment:

✓ Opportunities

✓ Constraints: development (caused of poverty) → tourism development

Management
Role
Symbolic Responsive Discretionary

Resources Power
Material → Assets
Structural → Status
Individual → Intelligent, skill
Information → Knowledge

Resource flow Empowerment (participation)

Organization

Sources: Pfeffer and Salancik (1978; 2003)
As noted in previous sections, organizations cannot be completely self-contained without referring to the environment. Their successes are closely tied with other entities for obtaining and controlling resources as well as gaining power. Constraints and opportunities co-exist during this resource and power bargaining process. Mergers, joint management, boards of directors, political action, and executive succession have been recommended as the five major options to create interdependencies within and among organizations (Hillman et al., 2009). Tourism cooperatives are typical joint management strategy.

Tourism cooperatives are community-operated organizations with the goal to improve participants’ living via collaboratively participation in tourism. Resources dependent theory provides a guiding framework for understanding of the effectiveness of tourism cooperative and its underlying mechanism in meeting such a goal. Therefore, the study applies this theory in its investigation in answering if and how tourism cooperatives enable poverty alleviation. More specifically, the study aims to:

1. Understand what poverty means to tourism cooperative participants.
2. Measure the effectiveness of tourism cooperative in poverty alleviation.
3. Conceptualize the role of tourism cooperatives in poverty alleviation.
4. Explore the relationship within as well as between tourism cooperatives and its environment.
3 Methodology

This chapter presents the research methodology which is used in meeting the study objectives, which begins with choosing a study paradigm to facilitate the formulation of appropriate research design. In the research design section, an exploration approach has been settled due to little knowledge about the role of tourism cooperatives in poverty alleviation at present. The whole research process is divided into three stages: 1) elucidate study train of thought and conceptualization with clear aims; 2) develop specific research procedure and methodology; and 3) undertake field study and analyze data.

3.1 Study Paradigm

Five social research paradigms, of distinct ontology, epistemology, and methodology, have emerged in social science research over the years, namely positivism, post-positivism, critical theory, constructivism, and participatory (Denzin and Lincoln, 2005). When researchers choose a specific inquiring paradigm, the problem formulation, data collection methodology, and the impact of research are correspondingly formed (Babbie, 2010; Denzin and Lincoln, 2005; Morris, 2006). Besides positivism paradigm, other four paradigms are favoring qualitative methods that capture the data contained in language (Morris, 2006).

For the positivism paradigm, the truth is objective and apprehendable. The research logic is to detect the real causes, temporally precedent to or simultaneous with their effects utilizing rigorous research design and stringent experiment techniques.
Similarly, post-positivism assumes an objective reality. However, in post-positivism perspective, the reality is imperfect, multiple, and can never be truly understood (Denzin and Lincoln, 2005). The pursuit of knowledge is to get closer to the truth through rigorous research techniques wherein researchers should minimize their influences on the reality (Morris, 2006). Building and criticizing theory are the research purposes. Grounded theory which seeks to capture emerging issues in field usually be employed in this inquiry.

The third paradigm is critical theory or historical realism, which also assumes objective reality. However, reality is often disguised by ideologies or preconceptions on account of social, political, cultural, economic, ethnic, and gender factors. Consequently, the objective truth can only be revealed via continuous dialogues and communications.

Unlike the three paradigms abovementioned, constructivism does not assume an objective reality instead it proposes that human experience can be understood as a subjective reality. Truth is perceived differently at different time, place. It also evolves. Hence, reality could only be constructed according to a specific situation. Only time and context-bound working hypotheses are possible. The nature of research is not for controlling, predicting, or changing the truth, but for individual reconstructions and coalescing around consensus. Since researchers play an inevitable role in such a truth-reconstruction process, the trustworthiness of research findings depends heavily on researchers’ understanding and interpretation of informants’ experiences. Constructivism has been widely employed in micro scale studies.

For the participatory paradigm, the research purpose has nothing to do with reality, but with the pursuit of better service to human and the achievement of common flourishing (Denzin and Lincoln, 2008). Knowledge is divided into three categories in this paradigm: practical (most
dominant), critical, and living knowledge, in which practical knowledge is ranked as the most primacy. Table 7, developed by Guba and Lincoln (1994), summaries differences among five research paradigms, which have been briefly mentioned in above paragraphs, in terms of ontology, epistemology, and methodology.

**Table 7 Basic Beliefs (Metaphysics) of Alternative Inquiry Paradigms**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Positivism</th>
<th>Postpositivism</th>
<th>Critical Theory</th>
<th>Constructivism</th>
<th>Participatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontology</td>
<td>Naïve realism – “real” reality but apprehendable</td>
<td>Critical realism – “real” reality but only imperfectly and probabilistically apprehendable</td>
<td>Historical realism – virtual reality shaped by social, political, cultural, economic, ethnic, and gender values crystallized over time</td>
<td>Relativism – local and specific constructed realities</td>
<td>Participative reality – subjective objective reality, cocreated by mind and given cosmos</td>
</tr>
<tr>
<td>Epistemology</td>
<td>Dualist/objectivist; finding true</td>
<td>Modified dualist/objectivist; critical tradition/community; findings probably true</td>
<td>Transactional/subjectivist; value mediated findings</td>
<td>Transactional/subjectivist; created findings</td>
<td>Critical subjectivity in participatory transaction with cosmos; extended epistemology of experiential, propositional, and practical knowing; cocreated finding</td>
</tr>
<tr>
<td>Methodology</td>
<td>Experimental/manipulative; verification of hypotheses; chiefly quantitative methods</td>
<td>Modified experimental/manipulative; critical multipism; falsification of hypotheses; may include qualitative methods</td>
<td>Dialogic/dialectical</td>
<td>Hermeneutic dialectical</td>
<td>Political participation in collaborative action inquiry; primacy of the practical; use of language grounded in shared experiential context.</td>
</tr>
</tbody>
</table>

Source: Guba and Lincoln (1994)

Stephen Schensul, Jean Schencul, and Margaret LeCompte (1999) recommend choosing a paradigm prior to the study due to the following reasons: 1) the underlying assumptions affecting the research design can be made explicit; 2) the situated intellectual traditions can be located; and 3) the formulation of research blueprints, guides, and models that help to organize data collection can be facilitated. The researcher of this study works with micro-scale communities
and organizations. Due to the dearth of studies on the role of tourism cooperatives in poverty alleviation, this study is an initial step to further our understanding of such a topic of interest. True and authentic reflection of data from field is the assessment criteria of constructivism. Therefore, this study does not expect to generate objective reality; rather, it aims to understand the subjective experience of poor people and provide authentic reflection on the phenomenon regarding the fast growth of tourism cooperatives, which is consistent with constructivism at the ontology level. An important resource of the poor for expressing their opinions is their voice; thus, reading about and hearing their voices is more effective than presenting statistics. Compared with other research paradigms that rely heavily on numerical data from questionnaires but neglect the meanings and values of such data, this study examines the voices of poor villagers through interviews, and thus constructivism is adopted as methodology. Given the research purpose and data collection methods, the author chooses the constructivism paradigm as underlying philosophy for the study design.

3.2 Research Design

This study is exploratory because the research on tourism cooperatives is relatively limited. A number of tourism cooperatives have been initiated in some rural areas in China, but their role and operating mechanism towards poverty alleviation are not fully understood. In this exploratory study, the first purpose is to understand the effectiveness of tourism cooperatives in poverty alleviation. Second, this study aims to gauge the dynamic relationship between tourism cooperative and its environment in an attempt to understand its effectiveness in poverty alleviation. The results thereafter may give us tentative ideas about how to alleviate poverty via tourism cooperatives in contemporary China.
The study adopts the research process recommended by Earl Babbie (1975; 2010) that holistically demonstrates the logic of a social scientific research (Steynberg and Veldsman, 2011) to carry out rigorous exploration on poverty issues. On the whole, three stages are involved in this study. The first stage deals with the process of moving from vague ideas about poverty alleviation to recognizable and measurable actions in real world, or termed as ‘conceptualization stage’. Babbie (2010) contended that conceptualization is the process through which we specify precisely what we mean for every particular term used. Basic conceptions, tourism cooperative, poverty, pro-poor tourism, resources, and power, have been defined in the literature review section.

This study begins with the researcher’s interests on poverty issues. What causes poverty? What can we do to alleviate poverty? Bearing these two questions in mind, the researcher was directed to the emerging tourism cooperatives in rural China that aim to reduce poverty. Are these tourism cooperatives capable of achieving poverty alleviation? If the answer is yes, how do they alleviate poverty? If the answer is no, why can’t they? According to past literature (Alkire and Foster, 2011; Chimhowu, 2009; Feinstein and Picciotto, 2001; Galambos and Macmaster, 2005; Green and Hulme, 2005; Grusky, Kanbur, and Sen, 2006; Haughton and Khandker, 2009; Hayati and Karami, 2005), the lack of resources and power are two key causes of poverty. Resource dependence theory, which explains the intra-organizational and inter-organizational behavior based on their resources and power (Casciaro and Piskorski, 2005), is employed in this study as a guiding framework to understand the topics of interest. In order to answer these questions from the perspective of resource dependence theory, the research aims have been reformulated as below:

- Understand what poverty means to tourism cooperative participants.
• Measure the effectiveness of tourism cooperative in poverty alleviation.

• Conceptualize the role of tourism cooperatives in poverty alleviation.

• Explore the relationship between tourism cooperatives and its environment.

The second stage recommended by Babbie (2010) concerns research methodology issues. To achieve the objectives of this study, qualitative methods are employed. Resources and power, in relation to tourism cooperatives and poverty alleviation, are described and explained via narratives rather than quantitative measures. This qualitative approach aims to develop preliminary understanding of the topic and to conceptualize the role of tourism cooperatives in poverty alleviation. The nature of reality is also constructed and interpreted by the researchers based on information obtained from the field (Denzin and Lincoln, 2005; Denzin and Lincoln, 2008). “Qualitative research stress how social experience is created and given meaning. In contrast, quantitative studies emphasize the measurement and analysis of causal relationships between variables, not process.” (Denzin and Lincoln, 2008, p. 14). Falling into a state of poverty and relieving from this state are both long processes under the effects of various factors. The ability of resources and power to change processes in tourism cooperatives are the grounds of argument on poverty alleviation. Poverty—its meaning and depth, its manifestations and causes—also depends on factors that cannot be easily captured by close-ended questions. In order to deepen those understanding of poverty, this study is designed to use open-ended questions via interviews. Through interviews, the researcher can understand the topic of concern from the individual’s point of view provided that every cooperative participant’s and relevant stakeholder’s perspectives on tourism cooperatives are rich in description. Qualitative methods
such as interviews (Seale, 2004), are more suitable for this study to capture the meaning, process, and context of tourism cooperatives in relation to poverty alleviation.

A critical case is usually for yielding preliminary understanding of the issue. Bent (2004) summarized selection methods as random-orientation and information-orientation. Extreme/deviant cases, maximum variation cases, critical cases and paradigmatic cases fall into the information-oriented selection (Bent, 2004). Critical cases aim to achieve information that permits logical deductions. Critical case selection is appropriate for this exploratory study where the study case should have strategic importance in relation to the general problem. This study is going to explore whether tourism cooperatives can alleviate poverty via accessing to resources and power. Two relevant considerations have been applied in choosing the critical case in meeting the study objectives. The first consideration is to find a case where poverty is an urgent issue for the local community development. This study employs indicator targeting, geography targeting, and community targeting, among the four strategies in qualifying the poor (Krishna, 2007), to find the study case. The second criterion is that the chosen tourism cooperative should have been operated for at least 5 years. Newly established tourism cooperative are not considered since it takes time for tourism cooperative to give full scope to its performance. Another criteria involves the researcher’s knowledge and own resources on the study case. In order to generate trustworthy and authentic data, the qualitative study requires the researcher to be familiar with the field since personal connections with the study community can facilitate the study in the field. The study case is chosen under these two criteria and introduced in the later paragraphs.

Marshall and Rossman (1999, p. 72) suggested “well-developed sampling decisions are crucial for any study’s soundness”. Sampling people and specific data collection method is formed in the present study according to the literature and study purpose. Since all stakeholders
of tourism cooperatives are the target sample of the current study, the investigator recruits the participants of cooperatives, the managing board members, and local community members with different profiles (Table 8). Both the cooperative manage board and participants are interviewed. The participants were approached by criteria-based sampling, covering different gender and age. In order to meet the study purpose, the informant must be local villagers who know well about their village both before and after the establishment of tourism cooperative. Other interest groups co-related with tourism cooperatives, were recruited by snowball or chain sampling to access better understanding of the development environment of Yuhu tourism cooperative and to assess the cooperative’s pro-poor performance from outsider perspective. The government (including prefecture government, county government, township government, tourism board, and natural reserve administration), travel agency, tourists, and outsider villagers were also interviewed.

**Table 8 Interview Sampling**

<table>
<thead>
<tr>
<th>Sample</th>
<th>Composition</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperatives</td>
<td>Participants</td>
<td>Local villagers who know well about their village both before and after the establishment of tourism cooperative</td>
</tr>
<tr>
<td>Outsiders</td>
<td>Government officials, travel agency, tourists, and local villagers</td>
<td>Snow ball sampling</td>
</tr>
<tr>
<td></td>
<td>Managing board</td>
<td>All managing board member</td>
</tr>
</tbody>
</table>
In order to conduct a rigorous field research, a research plan had been made in the operationalization stage (see in Figure 3). This study was completed in one year. The following charts show a tentative plan for work progress. Theoretical framework and methodology have been completed before the confirmation in November. Field studies were carried out in August and December, 2011. The first field trip was conducted in August 2011, lasting for one week. Then, the second one implemented in December 2011 for a whole month.

**Figure 3** Research Plan

Data collection and analysis are the last steps of Babbie’s (2010) recommended research process. Semi-structured interview was utilized in this exploratory study. “Interviews are, by their very nature, social encounters where informants producing retrospective (and prospective) accounts or versions of their past (or future) actions, experiences, feelings and thoughts” (Seale, Gobo, Gubrium, and Silverman, 2004, p.16). This study, through face-to-face interviews, is going to explore the local residents’ knowledge of their respective resources and power in the context of tourism cooperatives. The interviewer prefers to address any relevant responses towards open-ended questions rather than to ask them to select from a series of alternative choices. Those questions allow maximum flexibility in capturing new emerging data from field.
Narayan (2000) pointed out that voice is the last owned resource of the poor to express their opinions in the unfavorable condition of lacking resources and power. However, most of the time, their voices cannot be heard by the outsider. Therefore, listening to the poor’s voices in the interview is useful to identify the poor’s problems and recommended solutions, proving how indispensable interviews are in poverty study.

There are semi-structured interview and non-direct interview depending on how the guide is prepared (Veal and Institute of Leisure and Amenity Management, 1997). Considering the complexity of resource and power changing process, semi-structured interview is appropriate to be employed to collect the data. Semi-structure means to implement a number of questions and special topics before interviews. By doing so, semi-structured interview enables interviewer to probe issues in planned direction with an attempt to answer research questions, capturing also emerging topics and themes during interview. An interview guide (see Appendix), which is a list of open-ended questions, were used. “One of the primary objectives of semi-structured interviewing is to identify the variables that are the constituent elements of both the factors and sub-factors within the domains in the formative model. To achieve this objective, questions in a semi-structured interview are framed at the factor level.” (Schensul et al., 1999, p. 151). According this principle, interview protocol will first be drafted based on an extensive literature review then followed by a pilot study to be carried out to check whether those questions are appropriate.

In order to probe more data from field, the interview guide should be low-level theoretical formulations and bias-free questions (Schensul, Schensul, and LeCompte, 1999). The interview guide has been divided into six sections, ordering from the simpler warm-up and resource questions to complex power and management topics. Demographic questions, typically defined
as non-threatening (Schensul et al., 1999), have been placed at the very beginning. The filed study was conducted in Chinese, wherein back-to-back translation has been undertaken to ensure that the translated version reflects the same item content as the original English meaning (Richard, 1970). Two bilinguals, A and B, are selected with the following criteria: 1) the source language (Chinese) as their mother tongue and fluency in English; 2) unawareness of any concepts in the guide study; 3) no tourism background. Translator A translates the interview guide from English to Chinese and B translates A’s Chinese version interview guide into English. The back translation result assumes equivalence with source therefore eliminating information bias and unexpected meanings of the items (Appendix II).

During the data collection process, brief field notes, digital voice recorder, and camera are utilized at the same time, to improve accuracy with participants’ consent. Good field work habits such as labeling audio tapes, carrying extra batteries, finding quite places for taking notes, and writing down memo right away, paid off by keeping data as intact, complete, organized, and accessible as possible (Marshall and Rossman, 1999).

Data reduction, data displays, and conclusion drawing are the three flows streaming through data analysis (Miles and Huberman, 1994). “Data reduction refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions” (Miles and Huberman, 1994, p.10). This flow occurs from preparation before field work until the final report after field work. Research questions, bounding the territory, sampling, and data collection methods mentioned in previous chapters and parts narrowed down the focus of this study clearly and specifically, via the conceptual framework, into environment, resources, power, management, and poverty situation. Through selection, summary, and incorporation in a larger pattern, the data was reduced and transformed into categories, themes,
and patterns. Data display, which is “an organized, compressed assembly of information that permits conclusion drawing and action”, was conducted throughout field study and data analysis (Miles and Huberman, 1994, p.11). Matrices, graphs, charts, and networks were employed in this process, making data immediately accessible and compact.

### 3.3 Study Site

Krishna (2007) suggested that geographical targeting is helpful to narrow down the poverty relief targets, thus, the current study pursued the Yuhu village, Lijiang Naxi Perfecture in Yunnan Province as the study location. World Bank (2011) developed China poverty distribution map on the basis of poverty headcount index, which is the proportion of the population whose income or consumption is below the poverty line (Map 1). The highest poverty headcount index, determined by the World Bank and confirmed by the data from Chinese government, presented in darker color in the map, is mostly suffered by the southwest part of China, including Sichuan, Guizhou, Tibet, Gansu, Guangxi Provinces as well as the Yunnan Province which is the case study site.

![Map 1: China Poverty Map](image)
Yunnan province has the largest number of poverty counties and ethnic groups (See in Map 2) in China, catering to around 5.4 million people still living without sufficient clean water, electricity, healthcare, and employment. Twelve percent of the aid-the-poor counties defined by the Chinese government are also located in Yunnan province (Liao, 2008; Ning, 2000). Yunnan province is trapped in poverty with 5.4 million people are still living without sufficient clean water, electricity, healthcare, as well as employment. By the end of 2009, 1.5 million people lived in extreme poverty, with less than RMB $785 (about US$100) per capita annual income (Yunnan Provincial Government, 2010). Based on income indicator, which qualifies the poor (Krishna, 2007), Yunnan province has been chosen as the study site. Today, poverty is still a major problem in Yunnan, particularly in the areas resided by ethnic minorities. Tourism seems to be a promising solution to reduce poverty in Yunnan province, given its endowed natural scenery and rich ethnic culture (Ning, 2000). Most ethnic groups make a living on wood-cutting, hunting and herding, which captures a considerable number of tourists who are interested to visit these remote mountain areas and experience such unique culture. Therefore, tourism industry has been quickly developed as pillar industry in certain impoverished regions. Take Chuxiong Yi Autonomous Prefecture in Yunnan for example, where tourism is an important part of economic development, accounting for 14.2% of its GDP. Lijiang City has also embraced much tourist influx due to its phantasmal image, rich Naxi culture, and world-wide.
The research community, Yuhu village, is endowed with abundant natural resources for tourism development. Yuhu village, which is located at the foot of Jade Dragon Mountain and lies 15 KM away from Lijiang downtown, has been recognized as the original home of the Naxi ethnic group (Horst, Fredrich, and Su, 2006). Due to its peripheral position around Lijiang Basin, the traditional Naxi culture and distinct “monkey-head-like” stone houses have been completely preserved. In addition, in the early 20th century, Joseph Rock, of Austria-American ethnology, resided in this village to learn Naxi culture for 21 years (China Discovery, 2012). To satisfy tourist’s need, the villagers have started to provide guiding and horse-riding services to tourists.
since 1990. Yuhu village includes 358 households and 1340 villagers. Most villagers are Naxi ethnic people.

Yuhu tourism cooperative was established in 2004. At the very beginning stage of cooperatives, cooperative management board and rules were established based on the discussions among residents. The community leader who represents and makes daily decision for local community is democratically elected by the local residents. The important decision is often made through democratic decision-making process with one person holding one vote.

All cooperative participants provide horse-riding service to tourists with a fixed shift rotation. They wait at a tourist’s center to be on call for duty and collect their earnings at the end of each service day. Every villager is clear about how many tourists they have received due to the fixed shift plan. The earnings collected by the cooperative participants are only part of tourism profits. The rest of tourism benefits are distributed to all community members, including those who do not engage in tourism business in the community. 80% of their collective revenue is distributed to cooperative members; 10% goes to management cost, and the rest benefits are distributed to every member in the community including those who do not work in tourism.

3.4 Data collection

3.4.1 Process

As suggested by Seidman (1991) “at the root of an in-depth interviewing is an interest in understanding the experience of other people and the meaning they make of that experience” (p.3). Two field studies, which included in-depth interviews, were conducted during August and December 2011 to understand the impact of tourism development on poor villagers’ experiences and living situations. During initial field work in August, the author visited and interviewed the
members of five tourism cooperatives around Shangri-la and Lijiang areas: Hamugu, Napa, Conggu, Yila, and Yuhu. Yuhu village was chosen because it had seen great success in their tourism business. During a second trip, the authors visited Yunnan Provincial Social Science Association and discussed Yuhu village with the academic experts there. Yuhu village impressed the author because the villagers chose to rent their tourism business to a private company because they wanted to be equally benefited from tourism development. Being curious about how equality played a significant role in their decision on operation tourism business by themselves or by renting to others, the author visited Yuhu village in December 2012 and lived in the village for more than two weeks, before moving back to Lijiang town center to conduct interviews with outsiders, including government officials and tourism intermediates for another two weeks.

During this second trip, 50 in-depth interviews with villagers (358 households, 1340 villagers in total) and 15 with outsiders were conducted (see participants’ background in Table 9 and Table 10). Participants were informed about the study’s purpose and conditions of confidentiality. Among the 50 villagers, 5 are previous leaders of tourism cooperatives (one Assistant Township head, two assistant village heads, and two assistant managers in the new tourism company now). The 15 outsiders include three scholars, seven government officers at the city, county, or township level, four business partners, and one villager from another village. Those seven government officer spoke of their work contacts with Yuhu, and also offered insight into daily life in the village as they were all locals who grew up in Lijiang. Previous literature suggests that the elderly people have more traditional knowledge which was differentiated from commoditized ideology and tend to have different perceptions of poverty. Therefore, seven elder villagers, all over 60 years old, were recruited for interviews. The age distribution of villagers is
presented in Chart 1. Most interviews lasted around half an hour. Two to three rounds of interviews, which lasted from one hour to eight accumulated-hours, were carried out with three previous leaders and three villagers to obtain more detailed information. Snowball sampling enabled the researcher to find various stakeholders who played a role in the villages’ rural tourism development. In addition to these specific in-depth interviews, the author also engaged in numerous conversations with local villagers. These informal chats helped to obtain valuable information and clarify any confusion. In order to minimize potential bias based on the personal lifestyles of the interviewees, several interviews were carried out in work places, including the fields, shops, homes, and kitchens when participants were doing farm work, cooking, taking care of their children, or chatting with their friends.
<table>
<thead>
<tr>
<th>NO.</th>
<th>Age</th>
<th>Gender</th>
<th>Backgrounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>57</td>
<td>Female</td>
<td>Previous small horse boss, leading horses, operating a family inn with 10 beds and restaurant now, fluent family condition with most electronic appliances, a car, and a real state property in the city center</td>
</tr>
<tr>
<td>2</td>
<td>47</td>
<td>Male</td>
<td>Previous small horse boss, work in tourism company for ten years, normal family condition with most electronic appliances</td>
</tr>
<tr>
<td>3</td>
<td>34</td>
<td>Male</td>
<td>Previous small horse boss, worked as chief in largest hotel in Lijiang from 1996-2007 and return home to open a restaurant</td>
</tr>
<tr>
<td>4</td>
<td>79</td>
<td>Male</td>
<td>Previous accountant for township, leads horses now, normal family condition with most electronic appliances, speaks fluent Mandarin among his peers, like to chat and sing with tourists, good at introduce their village</td>
</tr>
<tr>
<td>5</td>
<td>54</td>
<td>Male</td>
<td>One of the previous cooperative leader and now work in the tourism company as assistant manager for horse distribution department, normal family condition with most electronic appliances and a car</td>
</tr>
<tr>
<td>6</td>
<td>30--40</td>
<td>Male</td>
<td>Previous small horse boss, the family inn's neighbor, two children, temperate jobs in town center, normal family condition with most electronic appliances and a car</td>
</tr>
<tr>
<td>7</td>
<td>30--40</td>
<td>Male</td>
<td>Previous small horse boss, works on projects for China Telecom and operates a small shop, normal family condition with most electronic appliances and a car</td>
</tr>
<tr>
<td>8</td>
<td>30--40</td>
<td>Male</td>
<td>One of the previous cooperative leader and now are assistant headmen in the new village committees</td>
</tr>
<tr>
<td>9</td>
<td>30--40</td>
<td>Female</td>
<td>Only earned income from farming before the setting up of tourism co-op, only ride horse to make a living now, low family income with basic necessities</td>
</tr>
<tr>
<td>10</td>
<td>60-70</td>
<td>Male</td>
<td>Previous small horse boss, his daughter-in-law leads horse and he need to take care his grandson around 2 years old</td>
</tr>
<tr>
<td>11</td>
<td>30-40</td>
<td>Female</td>
<td>Previous individual operator, leads horses now</td>
</tr>
<tr>
<td>12</td>
<td>60</td>
<td>Male</td>
<td>Previous small horse boss, previous village headmen and now lead horse to make a living, fluent family with most electronic appliances</td>
</tr>
<tr>
<td>13</td>
<td>30-40</td>
<td>Male</td>
<td>Previous individual operator, temperate construction job in village and lead horse, normal family with basic electronic appliances</td>
</tr>
<tr>
<td>14</td>
<td>40-50</td>
<td>Male</td>
<td>Group leader, operate a Majiang house, and were prepare to open a guest house, rich family with most electronic appliances, high quality furniture, and a car</td>
</tr>
<tr>
<td>15</td>
<td>60-70</td>
<td>Male</td>
<td>One of the previous big horse bosses and belong to biggest He family</td>
</tr>
<tr>
<td>16</td>
<td>30-40</td>
<td>Female</td>
<td>Only earned income from farming before the setting up of tourism co-op, sale local farm products in front of the tourist center, taking care of her daughter at the same time, her husband does temperate construction job</td>
</tr>
<tr>
<td>17</td>
<td>29</td>
<td>Female</td>
<td>Previous individual operator, worked in the guest house in down center before and doing family works and take care of her children, gain support from government to rebuild their old house, normal family with basic electronic appliances</td>
</tr>
<tr>
<td>18</td>
<td>50-60</td>
<td>Female</td>
<td>One of the previous big horse bosses and now lead horse to make a living, normal family condition with most electronic appliances</td>
</tr>
<tr>
<td>19</td>
<td>50-60</td>
<td>Male</td>
<td>Previous big horse bosses, husband of NO18, earning money by driving a private minibus to carry tourists to their village</td>
</tr>
<tr>
<td>20</td>
<td>50-60</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, temperate construction job in village and lead horse</td>
</tr>
<tr>
<td>21</td>
<td>23</td>
<td>Male</td>
<td>Leave off his study once, and stay home to do Only earned income from farming before the setting up of tourism co-op, temperate construction job in village after his graduation from high school</td>
</tr>
<tr>
<td>22</td>
<td>17</td>
<td>Female</td>
<td>Only earned income from farming before the setting up of tourism co-op, did temporal jobs in downtown as waitress in guess house and food spa after her graduation from middle school, lead horse in the village at present</td>
</tr>
<tr>
<td>23</td>
<td>60-70</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, gain support from government to rebuild their old house</td>
</tr>
<tr>
<td>No.</td>
<td>Age</td>
<td>Gender</td>
<td>Occupation Details</td>
</tr>
<tr>
<td>-----</td>
<td>-----</td>
<td>--------</td>
<td>--------------------</td>
</tr>
<tr>
<td>24</td>
<td>39</td>
<td>Male</td>
<td>Previous small horse boss, operation a shop and Majiang for one year, gain support from government to rebuild their old house</td>
</tr>
<tr>
<td>25</td>
<td>50-60</td>
<td>Female</td>
<td>Previous small horse boss, lead horse several years ago and no need to work now</td>
</tr>
<tr>
<td>26</td>
<td>80</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, village accountant in Chairman Mao's time</td>
</tr>
<tr>
<td>27</td>
<td>17</td>
<td>Male</td>
<td>Previous individual operator, did temporal jobs after his graduation from primary school, and work on sand transportation now</td>
</tr>
<tr>
<td>28</td>
<td>76</td>
<td>Male</td>
<td>Previous co-op leader, the village leader Li's farther in law</td>
</tr>
<tr>
<td>29</td>
<td>30-40</td>
<td>Male</td>
<td>Previous small horse boss, came back work at home while tourists were having lunch</td>
</tr>
<tr>
<td>30</td>
<td>30-40</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, drive truck in Lijiang, his wife lead horse, younger brother of Leader Zhao</td>
</tr>
<tr>
<td>31</td>
<td>30-40</td>
<td>Male</td>
<td>Previous small horse boss, temperate job and lead the horse</td>
</tr>
<tr>
<td>32</td>
<td>18</td>
<td>Female</td>
<td>Only earned income from farming before the setting up of tourism co-op, working in a guest house in Suhe old town</td>
</tr>
<tr>
<td>33</td>
<td>50-60</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, lead the horse, have two sons and two daughter, and grandchildren</td>
</tr>
<tr>
<td>34</td>
<td>50-60</td>
<td>Male</td>
<td>Previous small horse boss, dig sand before and is labor contractor now, three children, temperate job in town center, and his wife</td>
</tr>
<tr>
<td>35</td>
<td>38</td>
<td>Male</td>
<td>Previous small horse boss, lead the horse, gain support from government to rebuild their old house</td>
</tr>
<tr>
<td>36</td>
<td>30-40</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, temperate job and lead the horse</td>
</tr>
<tr>
<td>37</td>
<td>50-60</td>
<td>Male</td>
<td>Previous individual operator, lead the horse</td>
</tr>
<tr>
<td>38</td>
<td>51</td>
<td>Male</td>
<td>Previous individual operator, the big cattle feeding family, lead horse</td>
</tr>
<tr>
<td>39</td>
<td>20-30</td>
<td>Female</td>
<td>Previous big horse bosses</td>
</tr>
<tr>
<td>40</td>
<td>50-60</td>
<td>Female</td>
<td>Previous individual operator, lead the horse, her son and daughter in law worked in town center and drive home everyday</td>
</tr>
<tr>
<td>41</td>
<td>50</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, several disease, lost the ability to work</td>
</tr>
<tr>
<td>42</td>
<td>20-30</td>
<td>Female</td>
<td>Labor work in shanghai before, went back, Only earned income from farming before the setting up of tourism co-op, lead horse and planning to operate guest house</td>
</tr>
<tr>
<td>43</td>
<td>14</td>
<td>Female</td>
<td>Only earned income from farming before the setting up of tourism co-op, lead the horse</td>
</tr>
<tr>
<td>44</td>
<td>40-50</td>
<td>Male</td>
<td>Previous small horse boss, lead the horse</td>
</tr>
<tr>
<td>45</td>
<td>40-50</td>
<td>Female</td>
<td>Previous co-op leader and present village assistant head</td>
</tr>
<tr>
<td>46</td>
<td>50</td>
<td>Female</td>
<td>Previous small horse boss, sale food before, and now only lead horse and provide home-stay sometime</td>
</tr>
<tr>
<td>47</td>
<td>40-50</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, lead the horse</td>
</tr>
<tr>
<td>48</td>
<td>30-40</td>
<td>Male</td>
<td>Only earned income from farming before the setting up of tourism co-op, lead the horse</td>
</tr>
<tr>
<td>49</td>
<td>40-50</td>
<td>Male</td>
<td>Previous co-op leader, and work in township now</td>
</tr>
<tr>
<td>50</td>
<td>30-40</td>
<td>Male</td>
<td>Previous co-op leader and present assistant manager in the company for horse distribution</td>
</tr>
</tbody>
</table>

Notes: * for village leader
Table 10 Background of Outsider Interview Participants

<table>
<thead>
<tr>
<th>Circle</th>
<th>No.</th>
<th>Level</th>
<th>Affiliation</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>1</td>
<td>Provincial</td>
<td>Social Science Association</td>
<td>Director for rural development project, visit Yuhu village every year since 2003</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Provincial</td>
<td>Social Science Association</td>
<td>With ethnic anthropology background, conduct research in Yuhu several times</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Provincial</td>
<td>Social Science Association</td>
<td>Study the connection between tourism cooperative and Cong (a type of Naxi ethnic association), taking Yuhu tourism cooperative as a study case</td>
</tr>
<tr>
<td>Government</td>
<td>4</td>
<td>City</td>
<td>Tourism Administration</td>
<td>Head, work in Tourism Bureau for more than 10 years, localist</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>County</td>
<td>Tourism Bureau</td>
<td>Office Chief, responsible for document work, localist</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>County</td>
<td>Tourism Bureau</td>
<td>Vise Head, localist</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>County</td>
<td>Ethnic Affairs Bureau</td>
<td>Head, localist</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>County</td>
<td>Co-operation Union</td>
<td>Vise Head, localist</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>County</td>
<td>Poverty Relief Office</td>
<td>Vise head, localist</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Township</td>
<td>Township Government</td>
<td>Vise head, localist</td>
</tr>
<tr>
<td>Business</td>
<td>11</td>
<td>City</td>
<td>Taxi Driver</td>
<td>Head, localist</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>City</td>
<td>Travel Agency</td>
<td>Boss, started his business for 3 years</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>City</td>
<td>Guest House Owner</td>
<td>Start his business in Lijiang old town in 1998 by renting old houses from local people</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>City</td>
<td>Guest House Owner</td>
<td>Operating a middle class guest house by renting old house from local people</td>
</tr>
<tr>
<td>Others</td>
<td>15</td>
<td>Others</td>
<td>Villager from other village</td>
<td>Visit Yuhu village as an example of rural construction</td>
</tr>
</tbody>
</table>

The interview guide was adjusted twice. After interviewing several villagers, the author altered the wording of questions, employing more casual language in order to facilitate a better understanding of the question’s content. A second adjustment was required when the information about villagers’ previous livelihoods seemed saturated and new issues needed to be addressed. This occurred after ten villagers had already been interviewed. In the interviews that followed, participants were asked only to briefly discuss their past before moving to a new topic. At the same time, new issues emerged from the completed interviews and so subsequent interviewees were asked their opinions on these issues, such as why some previous horse bosses became supportive of the tourism cooperative, how villagers viewed the art festival during cooperative
time, clean the garbage in their village as long as they see them as a symbol of strong responsibility, their sense of ownership, attitudes towards meeting and training, and so on. Albeit most of the information seemed saturated in the economic aspect of tourism cooperative after interviewing 30 villagers, the author opted to interview more (an additional 20) participants because of the discovery of additional information about the non-monetary impacts which were overlooked by some villagers.

During the data collection process, brief field notes were taken, and a digital voice recorder and camera were utilized (with participants’ consent) at the same time to improve accuracy. Good field work habits, as noted by Marshall and Rossman (1999), such as labeling audio tapes, carrying extra batteries, finding quiet places for taking note, and writing down memos right away, were followed and resulted in the ability to keep data intact, complete, organized, and accessible. Apart from fieldwork, secondary data, including government documents, newspapers, and previous research papers, provided additional material for an inductive analysis.

3.4.2 Developing relationship

With the aim of better capturing the nuance and meaning of each participant’s life from their point of view, establishing trust and rapport ensures that participants were more willing to share their genuine opinions with the researcher (Denzin and Lincoln, 1998); however, it is also the most difficult part of a qualitative study. The process of building relationships with informants is indirect and requires sincere efforts. Ice-breaking activities, such as buying their goods, playing with children, and teaching their children English, were definitely in need to help participants relax. Sometimes interview opportunities emerged naturally after getting aquatinted with informants. In the case of Mei’s aunty, for example, I realized she was the village leader by chance after interviewing Mei. I accepted Mei’s invitation to be her guest when they were
sharing the yearling pork together. This was a big family gathering in which most of her relatives and friends gathered to eat pigs that had been bred for one year. I asked the boss of family guest house about the local custom of being a guest and took along three dozen eggs and several bottles of wine.

During my stay, Mei’s friends and relatives were curious about me and asked about my background. They then felt relaxed and I was able to have an informal focus group interview with them. I did not conduct the focus group discussion before because I found the villagers had tried to hide their own true feelings when I was interviewing them in public. They now felt relaxed and even asked me how I viewed their development. We were chatting and laughing because they did not mind discussing their private opinions in front of their friends and they debated with each other on certain issues. This is the reason that two informal focus group were carried out.

I also worked with Mei to serve dishes, wash dishes, clean tables, display courses, wash vegetables, which is regarded as the duty of close relatives to help the hosts to serve their guests. I did not talk with Mei’s Aunty about any issue regarding their tourism cooperative. We just serviced guests together during the two days. She filled the dishes and I delivered them. I collected the dishes and she cleaned them. After this long ice-breaking period, she started to talk with me about cooperatives in the second evening. She had to send off two guests and she even asked her husband to do this for her so that she could have more time to chat with me. This interview was conducted in the kitchen where we two had been working together for two days and was the only possible silent room during this family unit event. Mei and other friends left the two of us in the kitchen, chatting and cracking melon seeds around a warm charcoal-burning brazier.
3.4.3 Establishing rapport

How to build rapport and get meaningful information is a real operational challenge in the field. Interviews in a private place, modest learning attitudes, and long time contact have been shown to be useful techniques. To approach more villagers, I always chose public places, such as the entrance of the village, bowers, or stores, at the very beginning. Notably, the informants tried to see others reactions to what were said and replied with short answers. Poverty and their comments on their mutual tourism organization, cooperative, seemed to be both sensitive and private topics. Consequently, I changed the location of the interview from public places to their home. Normally, I would explain to them my visiting purpose and ask for permission to sit in their home. The informants demonstrated a substantially different attitude in that they tended to explain more and were more willing to discuss their own opinions on certain issues.

I interacted with some informants several times. At first, they refused to discuss certain issues such as income, commission, rents, and distributed profits. In subsequent contacts, however, they were progressively more open and honest with me and said “to be honest with you, we just earn $$ from each tourist.” In regard to wages, one managerial informant told me the amount about 3 times, and each time the number was greater than before, eventually approximating the externally estimated figure.

3.5 Data analysis

An inductive content analysis was employed to identify patterns and categories using a systematic coding which included open, axial, and selective coding (Strauss, 1987). This “bottom-up” approach enabled the author to immerse herself in the data and “listen” to the interviewee or data (Strauss, 1987). Early data (after 4 to 5 interviews were completed) were analyzed. The goal of this early data reflection and analysis was to learn from the data and
incorporate new elements into the research approach. As Richards writes: “those first interviews teach you something you had not considered” (Richards, 2009, p. 75), the interview guide was adjusted based on this early data analysis, in the ways noted in the previous section. This strategy facilitated the collection of new and often better data.

Aiming at extracting category from data records, a systematic coding analysis was carried out using ALTLAS.ti 6.2, a software package for qualitative data analysis. The author assigned codes to the collected materials after thorough readings and re-readings of field notes and transcriptions. Both in-vivo codes and constructed codes were employed in the open coding stage to reduce the amount of data. The constructed codes means the codes were combined with the researcher’s scholarly knowledge and enabled more sociological meanings being added in the analysis (Strauss, 1987). In-vivo codes were derived directly from terms used by the participants. This ensured that some of the codes reflected specific and sufficient meaning (Strauss, 1987). Most of the interviewees were local villagers who used terms specific to their own everyday life and vernacular. In-vivo coding enabled the retention of this language, specific meanings and interpretations of things like conditions of poverty and an overall richer analysis. At the initial stage, open coding was done by “scrutinizing the field note, interview, or other document very closely: line by line, or even word by word” (Strauss, 1987, p.28) to produce concepts that seemed to fit the data. Four guidelines suggested by Strauss (1987) were followed: “ask of the data a set of questions” like “what is actually happening in the data?”; “analyze the data minutely”; frequently write theoretical memos; and do not assume analytic relevance. These strategies facilitate a larger inquiry and ensure that the coding is grounded in data. Axial coding “consists of intense analysis done around one category at a time” (Strauss, 1987, p. 32). Exploring the relationships between one category and other categories and subcategories
approached to the “core categories” closer. The core categories emerged during selective coding. The constant comparison method suggested by Glaser and Strauss was employed throughout the whole process to find the best fit between sub-category and context (Glaser and Strauss, 1967).

In total, over 1000 open codes emerged and were grouped into 400 descriptor headings. Those 400 descriptors fell into four broad categories (see Table 3). The interviews focused on interviewees’ memories of their own life experiences and the tourism development in their village. As a result, most of the descriptors were specific to different times or stages in their lives and environment. Stage 1, stage 2, stage 3, and non-time specific words were analyzed as core categories. In three of the core categories, data were sorted under four different themes: environment (opportunity and constraints), resources (material resources, structural resources, information resources, and individual resources), power (status and legitimacy; intelligence, experience/skill; knowledge; and assets), and management. The villager’s tourism awareness, perception of society, and attitudes towards tourism were not limited to any of those stages and were then categorized as non-time specific items.
4. Findings

The main findings based on field research are presented chronologically. The chapter introduces the 20-year development of the study case, presented in three stages according to the mechanism for managing tourism businesses. The first development stage is mainly characterized by an unbalanced state and a chaotic and unfair market. Improvement of resources and power at both individual and collective levels was seen during the period of tourism cooperatives—the second stage. Finally, stage three is characterized by incentives for managerial staff and the beginning of quick returns.

4.1 Overview

Yuhu village, which is located at the foot of Jade Dragon Mountain and lies 15 KM away from Lijiang downtown, has been recognized as the original home of the Naxi ethnic group (Horst, Fredrich, and Su, 2006). Due to its peripheral position around Lijiang Basin, the traditional Naxi culture and distinct “monkey-head-like” stone houses have been completely preserved. In addition, in the early 20th century, Joseph Rock, of Austria-American ethnology, resided in this village to learn Naxi culture for 21 years (China Discovery, 2012). The above mentioned attractive tourism resources have driven considerable numbers of international and domestic tourists to this isolated village since the end of the 20th century.

Based on participants’ explanations of the tourism industry in their village, three development stages were delineate as summarize in Figure 4: Stage 1, individual operation (1990-2004); Stage 2, tourism cooperative operation (May 2004-October 2009); Stage 3, renting to a private boss (October 2009 to present). The analysis in this section traces the history of the
tourism organization form in Yuhu, highlighting the changes in villagers’ living conditions, as well as participation in and attitudes towards tourism during the three different stages. The transformation periods between stage 1 and stage 2 and between stage 2 and stage 3 were also identified as they are helpful in understanding the reasons behind the changes.

At first, tourism businesses were spontaneous and tourists were mainly from the domestic market. Local villagers provided food and guides to the tourists who visited their villages and actively requested their assistance. Some tourists from Lijiang region visited their village to pray for the Jade Dragon Mt. to bless their love, pregnancy, and fortune. In 1999, the China government released "golden week" holiday policy, allowing Chinese people to enjoy three seven-day national holidays in a year, which were great impetus to the tourism market with more than 28 million Chinese traveled during the first National Day Golden Week in 1999 (Zhang, Song, and Qin, 2008). The Golden Week injected Yuhu village with great tourism businesses opportunities in which tourists were eager to buy horse rides from the villagers to visit the snow mountain due to the capacity restriction of the cable cars (the official visiting route) of the snow mountain. Some villagers tried to interest any tourists they met in visiting their village and employed other villagers to lead horses for tourists. Before the establishment of tourism cooperative, the spontaneous tourism businesses were label as “Stage one” with individual operation form in Figure 4.

In 2004, the new village leader, Leader Zhao, was elected democratically by the villagers because of his strong business network and knowledge. Zhao noticed the great desire for equality among the majority of the villagers and established the Yuhu Tourism Cooperative which aimed to set up service regulations and create equal opportunities for every villager. “Pooling resources together, sharing benefits equally; everyone participates; every household benefits,” was the
slogan of the tourism cooperatives and it was clearly known by all the members. Village cadres lead the establishment of this whole process. Strong desires for equality in various dimensions of tourism participation have been noticed in the field. In the case of Yuhu, strong desires for sharing tourism profits had been displayed among the majority of the villagers. Such a desire drove them to jointly establish the tourism cooperative. Three village heads and 9 group heads, who were elected by villagers, consisted of the manage board of the tourism cooperative. Three visiting routes were designed after discussion with villagers. The collective organization was in charge of all the horse riding in their village and collecting parts of their benefits as collective funds. Every villager got the equal chance of providing their services for tourists in a service circle. The whole village was involved in and got profits from tourism business in their village. This collective organization forms were categorized as “Stage two”, lasting from May 2004 to October 2009.

In stage three, the Yuhu village achieved their desired goal and rented their collective business to a private boss on a five-year-contract beginning in October 2009. The boss was responsible for marketing and internal management and paid RMB250,000 to the village committee every year. Two additional itineraries, which just take tourists around the village rather than climbing the mountains, were added to provide lower cost options than the previous three itineraries. Even though the villagers complained that the boss earned her fortunes relying on their villages’ resources, the villagers were clearly aware that the boss could provide what they lacked: in addition to being responsible for any operating risks, the boss had marketing skills, strong contacts, experience, and financial resource. The boss bore the risk of failure if she was not capable of bringing in more tourists. By comparison, nobody took responsibility for failure during the time that the business was operating as a cooperative. Also village leaders felt
less pressure from villagers because they did not need to concern themselves with management issues. The boss operated other tourism related business in the center of Lijiang, including hotels, travel agencies, and scenic areas. She had strong contacts with travel agencies and various local governments. During the first two years, the boss put more effort into marketing in metropolitan areas, such as Beijing, Shanghai, Guangzhou, and Kunming. Increasing package tourists who normally only bought the addition of these new shorter routes visited Yuhu village tourists brought to. And the company was considering enlarging its package tourism businesses scales so that every villager could work on the short routes twice a day. The managerial staff appreciated the success of their boss saying that “our boss has led our village to another spring-like booming today.”

**Figure 4** Twenty Years’ Tourism Development in Yuhu Village

4.2 Perception of poverty

“Bitter” and “hard” were the major descriptors used by most villagers when they were asked to describe their previous life before the establishment of tourism cooperative. Their descriptions
focused on the harsh natural environment and the difficulty of making a living. Lack of currency income, low social status, and making comparisons with others as well as between their present and past selves were the principle reasons offered for the hardships (See in Figure 5).

**Figure 5 Villagers’ Perception of Poverty**

![Diagram showing the perception of poverty in Yuhu village.](image)

**4.2.1 Poverty means lack of currency income**

Lack of currency income is one of the arguments for the villagers who said that “we lived a hard life in the past”, by addressing low agricultural returns, taking multiple alternatives, and few affordable goods. Currency income is restricted by the harsh environment, petty gains from farming, and the necessity to have more than one job. Yuhu village’s collective funds were less than RMB70 in 2003. Like most other villagers in China, farming was their major livelihood in the past, an occupation that was largely controlled by the harsh environment in that the temperature in Yuhu is too low to grow plants. The barren soils, being sandy and rocky, further degenerate the output from field, allowing only 250 kilograms of wheat each Mu (equal to 667
square meters). Villagers used to make a living mainly based on farming that only brought in small profits. Only cold resistant species could be grown in Yuhu, such as wheat, potatoes, corn, and turnips, which are sold at low prices in agricultural markets. Rice is not suitable for growing in this village because of the weather therefore villagers bartered wheat for rice in the past. For most of the villagers, the outputs from their fields only made a bare subsistence living, while a few of them even had to depend on government relief food. Food not required for daily consumption was used for breeding pigs, chicken, horse, and cattle, the major sources of domestic meat.

The low returns from farming drove villagers to engage in some activities which may generate extra income, by taking advantage of natural resources provided by the mountains. Basket and broom making, snow herbs collecting, illegal timber cutting, illegal mineral exploitation, and sand digging were among these alternatives that most Yuhu villagers engaged in. According to Horst, Fredrich, and Su (2006), “In Yuhu, villagers ventured into the forest to log at night, fearful that their neighbors would cut remaining forests (p.378)”. The villagers, however, claimed that they had no choice since their income from farming was insufficient to cover their essentials such as education and medicine, and that this risky behavior was the only way to sustain their living. Their aggregate income, however, was still extremely limited. For example, a villager named Li suggested that his four-meter-length plank was only sold for about one Yuan. His workloads were heavy. Little improvements happened to their living condition even though they had cut all the thousands-year old woods near their village. They had identified cutting woods as an unsustainable behavior in the past and still commented as the only choice to supplement their farming income. The early years work in digging sand had left him many scars on legs. Although he put more efforts on farming, he lamented that the other supplementary jobs
had been much more profitable than farming. In comparison with other off-farm work opportunities, tourism has been a lucrative alternative considering the amount of labor input and returns.

Few goods were affordable to villagers due to their lack of income as what they obtained from farmland only provided subsistence and anything requiring money to obtain was luxuries for them, for example, lime, renewable energy, tap water, and chemical fertilizer. Few families had color TV. Roofs were vulnerable to strong winds. Prior to 2004, relatively few of inhabitants were able to afford to buy lime, with which they would have been able to strengthen the structures by cementing the tiles into place. Instead, they had to try to weigh the roofs down with heavy stones, an inefficient and ineffective substitute for lime. Villagers highly depended on woods as only form of fuel without any renewable energy which needed money to purchase. Walking miles to fetch clean water was part of their daily life in which they had been dreamed about tap water. From the perspective of the modern peasant, chemical fertilizer can lead to a continual increase in yield and is helpful in agriculture. When detailing their lack of the means for meeting their material needs, several participants pointed out that they were too poor to afford chemical fertilizer. Although growing numbers of agrarian researchers have concluded that artificial growth-factors such as chemical fertilizers and pesticides distant farming from nature (Jan, 2010), it is clear that the villagers quality of life was negatively impacted by their lack of access to items that cost money to purchase.

**4.2.2 Poverty includes deficiency in education, low status, and limited opportunities**

Closely connected with inefficient resources, the villagers’ power was negatively affected in terms of intelligence, status, and opportunities. Most children in Yuhu had to work to support
their families after attending the primary school which was the highest education level at that time. Primary school attendance was only 80% before the establishment of the tourism cooperative. Ms Li explained that when she had been a child she had not been able to concentrate on her studies because she had had to perform all the domestic labors at home, such as feeding the pigs, fetching water, cutting woods, collecting snow herbs, and looking after her younger brothers and sisters. This inspired her to do all the housework in the hope that her daughter could concentrate on her own studies to pursue the mother’s educational dreams. Leader Li, around 40 years-old, the only one who attended high school among her peers, suggested that her first time to use a pen was in the high school entrance examination by borrowing the pen from her teachers because her poor family had not been able to afford any stationery. After luckily passing the exam, she had to walk more than ten kilometers from her village to the school every week, claiming that “you cannot imagine how scared I was while I was walking alone on my way home at sundown”. Leader He shared the same comments that educating children was not only limited to offering them seats in the classroom, but also included expiring the worries of the students whose attentions were fully occupied by the concerns of foods and labors of their families, and providing them with the same dress and stationeries as their classmates. Owning to this educational defect, most villagers found it difficult to improve their standard of living. Mr. Li, around 30 years old, further provided his experience as an example that he was not qualified to find any job besides low paid labor work during his migrating work in Shanghai for several years, remarking that “My low wage could not cover my living cost most of the time so I decided to go back home. Even though I do not earn hard currency now, I feel less pressured than the time I worked in the metropolis because food can be obtained via domestic self-provision.”
The dissatisfaction of villagers about being looked down upon, closely connected with poor material resources, had been found as a major negative emotion among villagers in the survey by village cadres before the establishment of the tourism cooperative. Owing to their poor material resources, outsiders kept a distance from Yihu villagers. There was a popular saying that a good lady would not marry to a villager from Yuhu. Most new teachers who were assigned to Yuhu primary school always tried their best to leave this poor village as early as possible. When the outsiders were interviewed to describe their impressions of the Yuhu villagers before the tourism cooperative, one local government officer remarked that “we felt the villagers were drooping. They always tightly held a bottle of wine in their hands whenever they showed up.” There was a self-mockery among villagers to describe how they had been looked down upon that one local government officer introduced their village as pasture without human living to a central government leader who was inspecting the post-quake reconstruction after the Lijiang devastative earthquake. To conclude with one villager’s words, Yuhu was a remote and unknown village before tourism.

Limited development opportunities restricted villagers to raise themselves out of poverty. Besides farming, there were few available work opportunities for villagers. Only few of them made their livings outside their village, by running small business or working for their relatives. Due to lack of capital and opportunities, putting all the efforts to low-productive agriculture was the only livelihood choice for most of them.
4.3 Pre tourism cooperative times

4.3.1 Unbalance state

4.3.1.1 Differentiations of villagers

Since 1999, differentiations among villagers in five major categories (see in Table 11) became notable accompanying with this strong tourism economy. Only a small number of villagers, the so-called “horse bosses” (Ma-lao-ban, who organize horse riding activities for tourists), were able to earn profits from tourism, due to their strong businesses network and better communication skills. Horse bosses could be divided into significant and small groups in terms of their business scales. There were 7-8 significant horse bosses who could gain substantial tourists and employed other villagers to lead the horses to tourists. In peak season, there were more than 30 tourists approaching each of these horse bosses. There were 20-30 households acting as small horse bosses who had fewer tourists and employed smaller number of villagers. Both the big and small horse bosses were good at communication, the difference between them, however, was that the former groups had stronger business network with tourism intermediates that could bring them consistent tourists leading to their businesses success. Both big and small horse bosses gave priority to their relatives and friends, and the payments of villagers depended on the closeness of their relationships. The villagers who did not have close relationships with horse bosses only gained RMB20-30 per day which was half payment of horse bosses’ close relatives who also always gained more service opportunities. Given the dominant position of horse bosses, the majority of the villagers were only able to perform laboring services for the “horse bosses” in the hope of pleasing those horse bosses and being given opportunities to offer services to tourists. Even so, only one third of villagers had the chance of working in tourism, which was classified into the category of pure service labor. The remaining two-thirds of
villagers did not earn any profits from tourism and the lack of hard currency as described in the previous section of “poverty means lack of currency income”.

Table 11 Differentiations of Villagers Prior to 2004

<table>
<thead>
<tr>
<th>Categories</th>
<th>Population (persons)</th>
<th>Characteristics</th>
<th>Tourism Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant horse bosses</td>
<td>7-8</td>
<td>• Strong businesses network</td>
<td>More than RMB1000 per day in peak season</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Good at communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Tout tourists (keeping stable tourists were major task)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employ other villagers (more than 30 labors in peak season)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Dominate labor market</td>
<td></td>
</tr>
<tr>
<td>Small horse bosses</td>
<td>30-40</td>
<td>• Good at communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Tout tourists</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employ less than 10 villagers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Mutual tourists changes with other small horse bosses</td>
<td></td>
</tr>
<tr>
<td>Pure service labors</td>
<td>Around 300</td>
<td>• Provide labor services to different horse bosses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Payment depends on the bosses’ profits, generous, and their relationships</td>
<td></td>
</tr>
<tr>
<td>Non-tourism related villagers</td>
<td>More than 600</td>
<td>• No opportunities to involve in tourism industry</td>
<td>Lack of hard currency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Low productivity from agriculture</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Multiple-livelihood</td>
<td></td>
</tr>
<tr>
<td>Non-farm villagers</td>
<td>12</td>
<td>• Stable non-farm jobs, such as teachers, cadres, and businessmen</td>
<td>Not included</td>
</tr>
</tbody>
</table>

4.3.1.2 No tourists V.S. Many tourists

When being asked about the number of tourists before the establishment of tourism cooperative, horse bosses and other villagers gave two obviously different answers. From the
perspective of those horse bosses, most of them claimed that there were many tourists who could easily bring them with large profits prior to 2004. One participant, who was a significant horse boss stated that they earned more than RMB1000 a day and had build his new houses, furniture, and electronic appliances at that time. He expressed his resentment towards the tourism cooperative by claiming that he would have been a millionaire if he could run his horse guiding businesses in the individual way. Due to the monopolization of those horse bosses, most villagers perceived that there was no tourist in their village before the establishment of tourism cooperatives in the same village under the same period.

4.3.2 A chaotic and unfair market

When the villagers and leaders were asked to describe the tourism businesses in stage 1, most of them unanimously used “chaos” as major descriptor of tourism market in which there were no regulations, high proportion of cheating behavior, and fierce price competition.

4.3.2.1 The absence of regulations

There were not any specific regulations about the villagers’ services which were fully based on oral negotiations about the destination including being pointed out by fingers, setting certain sea level, and viewable scenery. The Jade Dragon Mt. was usually covered by thick snows for a long period in the past. The horse bosses normally declared an ambiguous promise the tourists to bring them to “a place where can touch the snow” or “a place is 4000 meters above the sea level”. When questioned about the accuracies of this kind of claims, one horse boss explained that “the tourists would be aware that they had arrived at the place 4000 meters above the sea level because of their high mountain sickness, including headache, vomiting, rapid pulse, and shortness of breath. And they would request returning when they had any symptoms. We promised them with truth and the tourists could test the validity of our promises.” As this claim
reveals itself that their negotiations lacked of accuracy because different people had different degree of high mountain sickness symptoms because some people may not have any symptoms at all. Disputes between villagers and tourists over the destination were definitely inevitable. Leader He commented that the tourists at that time were brave enough to buy the horse ride from villagers purely by oral negotiation without any certifications and documents.

4.3.2.2 Price competition

There were fierce competitions among horse bosses with price and slanders among each other. After learning how much the tourists would be charged, some horse bosses claimed that the tourists had been over-charged and they would offer a cheaper price. Those types of slander frequently happened among horse bosses, which always led to quarrels among each other. Price had been regarded as the only way of attracting tourism intermediaries, who could bring substantial numbers of tourists by making preliminary contacts with them and influencing their purchase choices with exaggerated information, to their village. Horse bosses cut their service prices to attract tourism intermediaries such as drivers and guest house owners in their fierce price competition with each other which had promoted the premium market position of tourism intermediaries. Consequently, the horse bosses lowered the wages of villagers who were at the bottom of the tourism service chain and offered the hardest labor service. The tourism intermediaries benefited from this price competition among horse bosses while the poor villagers lost their bargaining power in tourism market, which they were not familiar with. During 2003, the negative effects of price competition on villagers were marked, and led some villagers to develop rude attitudes towards tourists because of their low payment. Besides ambiguous claiming, another reason of cheating was villagers’ disobeying the orders of horse bosses as a way of protesting against the low payment for their service labor which was pointed out by some
of the informants. “I had to accept the chance for the service even though we just got a small amount of money from the horse bosses. It’s quite unfair and we felt angry”, claimed by a informant. Most of the villagers admitted the existence of cheating behaviors of their fellow villagers but only few of them were actually involved in the cheating. Majority of the villagers had showed their great obedience because they treasured their service opportunities in tourism.

4.3.2.3 Adverse impacts of unorganized development

Almost all the informants except two to three previous significant horse bosses labeled that individual operating period with “unfair” and had predicted the worst result as “unsubstantial” due to high rates of tourists’ complaints, high risk, and broken interrelationships among villagers. One previous horse boss explained his confusions over operating tourism business based on his previous experience: “I did not know why the tourists complain a lot. They were critical and easily dissatisfied with some small issues. I did not quite understand the behaviors of the tourists”. Tourists’ complaints had been regarded as one major problem in their business, owing to absence of regulation and high risks rooting in the nature of horse riding. “The horses are animals and not easy to control, and they can be easily shied by strong winds and other little changes.”, the villagers who were regarded as growing up on the back of horses concluded. And the tourists who were curious about the snow mountain were not clearly aware of their behaviors on the back of the horse and they often loosened the rein to take photos. Thirdly, the attractive tourism benefits, in comparison with dissatisfactory farming income, promoted the premium social position of the horse bosses and eroded the social interrelationships in this small village. Frequent quarrels had been complained by the villagers, most of the informants stated. While the villagers were unhappy over the frequent quarrels, they emphasized that very rarely the quarrels would lead to real fights, and the minor rows happened among mostly women. Most villagers
said that the relationship between their relatives and friends has come to be regarded as secondary to the importance of money.

4.3.3 A summary of tourism impacts in stage 1

Let us now draw a few analytical sketches based on the above descriptions before the establishment of the tourism cooperative. In stage 1, the development environment was good for Yuhu village due to a significant increase in the number of tourists and spilt-flows from Jade Dragon Mountain. The tourism development in the village, however, did not benefit the majority of the villagers. Several factors had impeded tourism development, including a lack of social and economic capital among villagers which they would have needed in the competitive tourist industry, and the high risk level of participating in the industry under non-standardized management. There were observable economic differences among villagers, because only a small number of them benefitted economically from the growing tourism industry. Not only were most villagers left out of a share in the profits, but they also experienced a worsening of interpersonal relationships because of the differences being created by tourism businesses. The market shares of Yuhu village were small and at high risk. Overall, Yuhu villagers did little to challenge the ways the tourism industry was altering their ways of life and environment.

4.3.4 Transformation from stage 1 to stage 2

As described in previous sections about the poor living condition of the villagers, their collective funds were less than RMB70, consequently few resources were available to the newly established tourism cooperative that began with empty handed. The village cadres had put a wobbly desk at the playground near the entrance of their village. Given the rainy weather conditions, they used a piece of plastic to support a shelter as their business office for more than one year until when they accumulated enough revenue to build themselves a small office. The
cadres stated in a laughing way in that they felt they were looked upon as cheats because of the crude conditions which may have been perceived as weakening their trustworthiness. However, most of the villagers also commented the leaders’ work condition and praised their dedication. This collective organization gained a great deal of support from the villagers.

4.4 Tourism cooperative

4.4.1 Resource improvement

In stage 2, tourism cooperative facilitated the villagers at both individual and collective level to gain more and new resources, as summarized in Figure 6. As demonstrated in Figure 6, materials, skills, ideas, social capital are major resource improvement at the individual level. Collective resources are mainly evidenced in voluntary work, collective funds and the increasing funding for education, elder, and infrastructure.
Figure 6 Resources Distribution in Tourism Cooperative Times
4.4.1.1 Individual resource

Material, intellectual, and social resources accumulated markedly after the establishment of the tourism cooperative. Incomes and consumption, the major index of poverty in narrow way, increased noticeable. The average individual incomes increased from RMB970 to more than RMB2700 (Yuhu Village Statistic, 2007) from 2004 to 2007 owing to the higher service payment of the tourism cooperative, substantial tourism flows and equal work opportunities. The majority of the villagers who had not had opportunities to work in tourism experienced steeper changes from very little to nearly RMB1000 each month. All the interviewees admitted the improvement of their living standards after they earned more hard currency from the tourism cooperatives to purchase both daily living and productive consumptions, such as the examples given in the “poverty” sections, lime, cement, and chemical fertilizers. Notably, sufficient income enabled the villagers to purchase previously thought of luxury items, such as cars, solar-water heaters, and fashionable clothes. The number of cars in Yuhu village increased from 3 in 2004 to 60 today. As described in the “poverty” sections, the villagers in Yuhu had token advantages of forestry resources to support their living. It was a controversial change that the villagers could afford green energies such as solar-water heaters to protect the forest now. Concerns about clothing have now become one of the important needs of the villagers’ daily lives today.

In addition, intellectual and social resources gradually grew during the operating process of their tourism businesses via this collective organization. Mandarin was regarded as a major communication barrier of Naxi ethnic people who speak their own language. One villager interviewed concluded that we farmers were only good at doing the things rather than expressing it. That’s the reason why some horse bosses could dominate tourism market because of their
better communication skills prior to 2004 when most of the villagers never had the chance to communicate with tourists. The villagers had to employ body gestures to communicate with tourists at the beginning of the tourism cooperative which brought equal work opportunities for every villager. Some villagers appreciated the service chance to communicate in and learn Mandarin from tourists. Some of them also practiced together when they were waiting for tourists at the tourists’ center, which was a good chance to improve with their fellow villagers. Prior to 2004, villagers would be laughed at if they spoke Mandarin in public. The situation changed when every villager realized the significance of Mandarin in tourism services. They spoke in front of their fellow villagers and pointed out each other’s mistakes. There was a joke, revealing the overall enthusiasm of learning Mandarin in the whole Yuhu village at that time: a nanny kept practicing Mandarin and even spoken to pigs when she was feeding them. And now, every villager including elder people and young children can fluently communicate in Mandarin.

Besides language skills, the views’ of villagers became different in this activated participation process and they changed from blindly destroying forests for living to protecting forest resources. One leader mentioned that: “some tourists thought it was a pity that our villagers had cut down thousands-year old woods and said to our villagers that they were not coming from far away to visit tree stumps. So the villagers realized the importance of protecting the natural environment.” Some of the respondents echoed this statement while others proclaimed different reasons, such as they were too busy in tourism business to cut down trees now, or the trees were too small to cut at present, or the government implemented stricter rules nowadays. No matter what the dominant reason behind it was, the fact was that the villagers destroyed natural resources less than the time prior to the set up of the tourism cooperative.
Considering social resources, frequently connections with relatives were suggested by villagers talked to. Mr. He stated that he had used to avoid social activities because he had to borrow money from others to buy gifts for the hosts. This embarrassing situation changed to one where they could cover the cost of gifts with the money earned via the tourism cooperative. Naxi people address the social connections with each other via exchanging treats and gifts. The monthly income became their substantial backup for enhancing their social connections. People became more sociable, interactive with each other more because they could financially afford to do it.

4.4.1.2 Collective interests

The tourism cooperative has made itself different from other types of organizations by being more concerned about the public interests, such as voluntary work, collective, educational, elderly and infrastructural funds. After receiving more tourists, the tourism cooperative also assigned specific staff to the task of forest fire prevention because of its public concerns about nature. Part of the revenue was collected as collective funds used for mutual benefits and further development. Part of these collective funds was distributed to every household at the end of each year. Some villagers interviewed were satisfied with this yearly revenue distribution because they could spend this money to celebrate their new year.

Education, regarded as the major intellectual weakness of Yuhu village, had became better with collective revenue. They provided scholarships for 20 primary students each month, ranging from RMB 300 to RMB100, to stimulate their studies. Teachers in Yuhu primary school got benefits as well, with bonuses for the 6 best teachers and they funded retreats. Classroom decorations, desks, and school uniforms were supplied with public funds. With these healthy public funds, the education quality of Yuhu primary school made progress from the worst
primary school to the second best among Baisha Township. And the school attendance increased from 80% to 100% which meant all the school-age children go to primary school today. The villagers agreed that they paid more attention to their children’s education after they earned sufficient income.

Collective funds flowed to the elder villagers’ activities as well. The tourism cooperative supported older people to have a good meal during the Day for the Old, Spring Festival, and the Camellia Festival in Naxi culture, which was not affordable prior to 2004. Other activities of the elderly such as gate balls, singing and dancing, were flourishing under the support of sufficient public funds.

Both basic and tourism infrastructure had greatly improved after the establishment of the tourism cooperative. Yuhu village was too poor to improve its infrastructure in 2004. Therefore the most urgent task they needed to prepare for transforming from agriculture to tourism was to improve the basic infrastructures. Road is important in villages development, as indicated by a Chinese saying that “If you hope to become wealthy, first builds a road”. The main road crossing their village was quite muddy and difficult to navigate during the rainy season. Taxi driver were not willing to take the passengers from town center to Yuhu village considering the road condition. Rebuilding the main road was targeted when they earned their first money. 95% roads have built with cements. Tapping water had been another dream of Yuhu village for a long time because they had to walk miles to fetch water. Harnessing their collective funds to make the best use for every villager made this dream come true. After discussion with all villagers, tourism service infrastructural projects were further improved. Villagers put a great deal of effort into internal constructions of their village. Inspired by the Lijiang Old Town, Yuhu villagers had noticed that the tourists were attracted by the canal view. Consequently, villagers built a new
water channel to trace the water from the river to their village. A series of water landscapes was created by the villagers, such as water wheels, water basin, water wall, and small sized water fall. “We had thought water from the river could only be utilized for irrigation, but now the water can be used to make our village looks tidy, clean, and beautiful”, one villager stated. Yuhu village, the river originate at Lijiang city, is rich in water resources. The clean, sweet tasting and fast flowing water increased the tourists’ appreciations. The village was also rich in stones. Consequently they built some road signs with carvings on big stones after they realized that tourists were curious about the positions in their village at every road crossing. In the past, every villager was familiar with their village, so the needs for interpreting signs was out of the way as tourism developed this became a need. During this development process, other tourism infrastructure, such as the tourist center, ticket office, toilets, benches, and car parks, were gradually built with accumulated revenue from their own tourism cooperative and the fund support from higher levels of government. Walking around Yuhu village, I noticed many specific touristic attractions designed by those plain villagers and the internal construction had improved done by combining the collective intellectual ideas of the villagers.

Owing to the public nature of this collective organization, voluntary work enabled this poor village to pave their development foundation. At the very beginning, all villagers were involved in the voluntary work to build the tourisy road in an attempt to provide service to more tourists safely. The previous road which was narrow and often dangerous was totally based on their walks to the mountain for fetching wood. In an attempt to minimized the risks, villagers worked together to widen the road and build new paths away from the dangerous cliffs. Everyone participated actively in this voluntary work. They asked their relatives to take on their duty when the voluntary work was coincided with their personal schedules. Nobody tried to avoid their
responsibility with any excuses. After two months’ hard work of all the villagers, the new 8 km’ long touristy trail was ready for tourists. Another whole village scale voluntary project was in spring of 2007 when the heavy snows covered the touristy trail. It was during the “golden week” of Spring Festival with a high flow of tourists which meant the cooperative would lost a high amount of profits if they did not take quick response. The tourism cooperative harnessed their collective volunteers to clear the trails quickly and avoided heavy loss.

4.4.2 Increasing Power

4.4.2.1 Individual power

The increasing power at individual level was shown in Figure 7. Equality, consolidation, feeling of well-being, support from outside, force of public opinions, democratic, and sense of ownership are emerging as main themes of individual power.
All the villagers interviewed thought highly of the equality, the major benefit from the tourism cooperative which had created a fair platform for every villager. No matter whether they were good at communication or they were relatives of some horse bosses, everyone was able to participate in the tourism businesses based on their collective natural resources. This fair platform was good for the economic disadvantaged villagers to get a start. Around 40-50 households were not able to afford a horse to service tourists at the initial stage. So they borrowed money to buy a horse or borrowed a horse from their relatives when the horses were idle. After one year’s accumulation of monthly income from the tourism cooperative, every household owned at least one horse outright to offer their service in tourism.
As stated by some villagers that there were no complaints and quarrels under this fair regulation, equality had further improved the interrelationships within the small village by removing psychological imbalance from the poorer villagers. Most villagers except previous horse bosses felt content about their incomes. One villager commented that he had a strong feeling of well-being because he had no money before 2004. Another villager further added that she felt content not only because of more income, but also because of the fairness.

Both the villagers and leaders suggested that the whole village became more united when everyone shared the same ideas based on equality. According to the respondents’ explanations, satisfaction with their incomes, working for collective benefits, and close communication were the three major factors in their consolidation. Several villagers interviewed indicated that they opened their minds after close communication with their fellow villagers in discussing their tourism operational issues, in comparison with less communication when everyone only focused on their own individual family issues prior to 2004. This consolidation expressed itself in five ways:

- The villagers were more willing to obey the leaders’ orders;
- Every villager was very supportive of their leader’s decisions;
- The leaders thought it was easier to apply higher level supports for their collective benefits;
- The leaders appreciated that the tourism cooperative wouldn’t succeed without their villager’s support;
- Villagers often helped each other. One villager questioned recalled her memory during those collaboration days that their neighbors used to call her when it was her turn to work and they waited until she showed up to ensure that she was able to work.
After Yuhu cooperative achieved notable success with stable tourists, the outsiders developed a positive mind towards Yuhu village. One year later, Yuhu village was set as the model of Baisha Township Party Building, further promoted to the county, city, and province level in following years. In 2009, Yuhu village was recognized as one of the first group of “Special Ethnic Villages” in Yunnan province. It attracted many leaders, such as a vice president of Vietnam, to visit their village for their self-help success in tourism. One officer from the Poverty Relief Office of Yulong County indicated that they had intended to introduce Yuhu village to most of the administrators from higher levels of government in an attempt to raise more funds for the villagers after raising their awareness. The government paid more attention to their village and often gave them suggestions for further improvements after their visits. The villagers were not been looked down upon by the outsiders as before.

Disputes between leaders and villagers were inevitable along with frequent communications between villagers as public opinion began to function as an energetic power of democratic management in this grass-roots organization. Villagers frequently quarreled with the leaders when they were dissatisfied with newly implemented regulations. “If villagers did not participate in the cooperative and had any concern with it, nobody would protest. Their protesting voices were an indication of their concerns on our collective business,” one leader indicated. The leaders regarded those protests as a channel for villagers to express their voice and concerns, but sometimes they were seen as inconveniences caused by the villagers regarding trivial issues. Those protesting voices, however, included constructive suggestions which benefitted the majority of the villagers. The tourism cooperative provided equal opportunities for every villager in a service circle. The individual weight of each tourist varied and villagers complained about having to service the overweight tourists and required handling issues on the weight of tourists
especially for horseback riding. After several rounds of long discussions, the cooperative finally decided to charge extra for the tourists who were overweight after each one was weighed. Trivial issues, like tourists’ weight, still allowed villagers to express their concerns about various management issues. Those complainants also expressed concerns over leaders’ behaviors. One leader complained that: “We leaders were not perfect and made mistakes. But the villagers always mistrusted us because of our past mistakes even when we had already corrected our mistake.” Still, this comment reflects the role of public communication in facilitating in the democratic management of the cooperative.

In addition to open communication channels, democratic elections open to the public were part of the democratic management of the cooperative. Respondents suggested that the members of management boards were elected by all villagers. A few interviewees indicated that the number of family members affected election results. Over 70% of villagers belonged to the He and Li families. In the election of 2004, Zhao Shijun, whose family comprises only a portion of village population, was elected as the village Head (Cun Zhi Shu). This was due to his strong business networks and experience. Therefore the number of family members might affect the election results but not be the sole determining factor. The cooperative regularly revealed the list of bills to villagers. Even though the trustworthiness of the content of the bills was questioned by some villagers, revealing bills still represented a democratic improvement over past situations in which most managerial issues were kept secret from the villagers.

Most villagers not only had strong feelings about equality, but also about ownership, as evidenced by their frequent display of positive emotions when they spoke of “our tourism cooperative.” When they were asked questions about the tourism cooperative, they emphasized ownership and repeatedly noted that the tourism cooperative was equally shared by every
villager. The cooperative’s slogan, as well as the establishment day of it, 23th May 2004, was firmly ingrained in their minds.

**4.4.2.2 Collective power**

Collective power was noticeable after the establishment of Yuhu tourism cooperative (Figure 8). Bargaining power and trustworthiness represents the increased collective power via tourism co-operative. Regarding bargaining power, those poor villages were able to set higher price for their services due to supports from villagers. Trust, safe, better environment, insurance, and supports from government are mainly descriptors of trustworthiness.

**Figure 8** Collective Power of Yuhu Tourism Cooperative

4.4.2.2.1 Bargaining power

The establishment of Yuhu tourism cooperative jeopardized the profits of the “horse bosses” and other tourism intermediaries. Price had been regarded as the only way of attracting tourism intermediaries, who could bring substantial numbers of tourists by making preliminary contacts with them and influencing their purchase choices with exaggerated information, to their village.
One driver boasted of his role in tourists’ purchases by exclaiming “How can tourists who have no idea about our city know where to go? They will definitely seek our comments. The way how our drivers introduce different tourism service providers determinates the perceptions of tourists on them”. In past literatures, the dominant position of tourism intermediaries has been recognized and pointed out the less mature of a tourism destination market, the stronger of that dominated power will be (Britton, 1982; Scheyvens, 2011).

Taking into account the complaints of the poor villagers, the newly established tourism cooperative employed totally different marketing strategies from previous horse bosses, who were only concerned with their own profits. In order to obtain substantial benefits for every villager, the cooperative set higher price for their services. The other tourism service providers, such as drivers and guest house owners, were not willing to accept this change, and this resulted in a tense relationship with the cooperative for two months. Only 2-3 tourists a day came to the village, and sometimes none at all. It was a period filled with challenges from both outside and inside the village to the newly implemented tourism cooperative which had claimed it would bring more tourists to all the villagers. In the village, the horse bosses, whose privileges had been taken by the cooperative were angry and spread rumors about the failure of the cooperative, claiming that no tourists had shown up at that time. Yuhu village is the earliest one to operate collective horse riding businesses in Lijiang areas. The same as most first attempts, Yuhu tourism cooperative were questioned by outsider about its implementation.

Emboldened by support from the majority of the villagers’ the tourism cooperative, which represented the benefit of most villagers, gained more power to raise the payments for the villagers. The new tourism cooperative improved the communication with villagers and tourism intermediaries. The leaders talked with drivers and guest house owners about the stronger
reliability of collective management to promote mutual benefit. They also persuaded the villagers to focus on long term profits by speaking out their price requirements on the tourism market. Most villagers did not have the opportunity of becoming involved in the tourism which they had dreamed about. The strong desire for equality enabled the cooperative to gain support from the villagers and encouraged them to refuse to take orders from horse bosses and drivers. During the interviews, three leaders still appreciated the villagers’ support, to which they attributed their own success. By the end of the confrontation, the requirement of the majority of the villagers had been achieved, with the service payment for every villager rising from its lowest point of 20 to as high as 100 Yuan. Villagers were able to protect their own profits and directly gain benefits from this confrontation. The rumors spread by the horse bosses failed to convince, and most villagers were witness to the success of the tourism cooperative. Most villagers are still proud of their persistence when recalling their memories of this episode. The united force enabled those poor villagers make their demands clear and gave them stronger bargaining power than they would have had operating individually in the market. In this way the poor people were able to deal with the dominant position of the tourism intermediaries in an immature market.

4.4.2.2 Trustworthiness

Tourists and intermediaries placed more trust in this collective organization than the individual bosses. Even though the horse bosses would provide cheaper prices, the tourism cooperative made itself more competitive by providing a safe and better overall environment. Horse riding is a high risk activity. Normally, the taxi drivers waited for the tourists that they took into the village until the tourists completed their riding because the drivers were worried about the safety of the tourists. After the establishment of the cooperative, the cooperative
became responsible for any accident that occurred rather than the drivers. The efforts of tourism cooperative on overall environmental improvement which attracted more tourists increased the trust of tourism intermediates. The horse riding specific insurance did not only lower the operating risks of the cooperative, but also increased the perceived safety towards the horse riding activity by the tourists. As Yuhu village won the honors from the government, they displayed their honors in the tourist center and a police station was set up next to the tourist center. These support from the government, coming with safe measures and better environment, enhanced the trustworthiness of the cooperative. Most respondents indicated that the number of tourists sharply increased after the establishment of the tourism cooperative. The exact numbers of tourists were only available after 2004. The number of tourists expanded more than 20 times in the first operating year of the tourism cooperative (Table 12 and Figure 9).

Table 12 Growth of Tourists in Yuhu Tourism Cooperative

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of tourists In Yulong County</th>
<th>Number of tourists</th>
<th>Collective income(RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1,800,000</td>
<td>2,018</td>
<td>60,540</td>
</tr>
<tr>
<td>2005</td>
<td>2,098,500</td>
<td>43,200</td>
<td>1,296,000</td>
</tr>
<tr>
<td>2006</td>
<td>2,392,400</td>
<td>49,614</td>
<td>1,488,420</td>
</tr>
<tr>
<td>2007</td>
<td>2,761,200</td>
<td>54,722</td>
<td>1,641,660</td>
</tr>
<tr>
<td>2008</td>
<td>3,300,000</td>
<td>14,400</td>
<td>432,000</td>
</tr>
<tr>
<td>2009</td>
<td>4,261,900</td>
<td>9,450</td>
<td>283,500</td>
</tr>
<tr>
<td>2010</td>
<td>5,067,800</td>
<td>------</td>
<td>-------</td>
</tr>
</tbody>
</table>

Source: Yulong County Tourism Administration and Yuhu Tourism Cooperative Year Statistic
4.4.2.2.3 Lily’s story – embracing the great opportunities of fast growing tourism

As with most pupils in Yuhu, Lily was not able to pursue further education and had to work to support her family after her middle school. She was lucky enough to get a temporary job as a saleswoman in a souvenir shop in the town centre of Lijiang. In Lily’s case, she tried to interest any tourists she met in visiting Jade Dragon Mountain. Initially, eight tourists became interested in her introduction and visited her village on horseback, paying nine hundred Yuan to her. Given the generous nature of Naxi people, Lily and her mother prepared a delicious chicken soup boiled with Cordyceps sinensis from snow mountains to express their hospitality and friendship, impressing those guests who willingly paid five hundred Yuan extra as a mark of appreciation. Setting aside four hundred as a service payment for her relatives who had led the horses for those tourists, Lily received one thousand Yuan profit and realizing the possibilities, her and her family
redoubled their efforts to guide tourists to their village. Their so-called “service skills” were progressively developed by means of having frequent contact with tourists, learning, for example, to address them as “Laoxiang” (person from the same hometown) to make them feel at home, imposing strict rules on relatives to ensure professional service quality, seeing off tourists after their visit, and asking tourists to introduce their friends. Singing and dancing, talents of Naxi people, were found to be an effective way of entertaining tourists who were not interested in excursions or who were dissatisfied with their services. In peak season, her family could earn more than one thousand a day. According to Lily’s mother, the tourism cooperative was established because the village leaders were jealous of their success. After the establishment of the cooperative, Lily continued to encourage tourists to visit their village in order to gain commissions, but no longer decided who would provide services to the tourists at a fair price, which became the operational mission of the village cooperative, as a result of which her family income decreased.

The famous movie director, Yimou Zhang, got to know of Lily’s talent for singing and dancing from his friends. Director Zhang published a week-long series of TV advertisements in order to recruit Lily to his new project, Impression Lijiang. Lily’s little brother first noticed this advertisement and told his mother, who told him to keep silent and hide it from Lily because she could earn much more from the tourism commission as an intermediary. Lily became aware of this specific advertisement at last and went to the interview. Director Zhang interviewed her personally and offered her a role in Impression Lijiang even though she did not meet the basic height requirements. From the ordinary villagers’ perspective, she had been sufficiently fortunate to obtain a stable job in the town center. Lily, however, asked for double the amount she was currently earning and Director Zhang agreed, assigning Lily the task of managing all the female
actors. Owing to the fast growing tourism industry in Lijiang, many job opportunities were available and Lily took an additional part-time job in a bar in the evening. She subsequently opened a restaurant in Lijiang with her savings and was able to buy a house and car, living like other urban residents.

Villagers in Yuhu, not only benefit from cash income alone, but also make their demands clear, particularly in the case of those who like Lily, became involved in tourism at an early, had good communication skills, and had taken advantage of the opportunities that presented themselves. In the case of Lily, she creatively tried those opportunities created by tourism. Open, creative, and a willingness to take risk seems important for changing their poverty state.

### 4.4.3 Positive side: Communication

The tourism cooperative leaders attributed a great deal of their success to communication and took an open and welcome attitude towards communicating with villagers. Leader Zhao believed that “with communication, anything is possible” because he thought communication was a good way to achieve consensus and avoid conflicts. He proposed holding frequent, quick and topic-specialized meetings to facilitate communication. Informal interaction and formal meetings were two major communication forms in the tourism cooperative. Villagers used to individually work in their own fields, which lead to a social network limited to close relatives and neighbors. After involvement in tourism business via the cooperative, a number of villagers gathered at the tourists’ center to wait for the upcoming tourists, which was a good chance to communicate with each other. Every day, around 50-60 people gathered together and chatted about the village issues both positive and negative items. The tourist center became a center for news and also for rumors to spread. Some villagers harnessed these opportunities to organize protests against regulations that they thought as not good for themselves. The leaders also utilized these informal
gatherings to collect villagers’ opinions and discuss those controversial issues immediately in the evening.

Formal meetings among leaders and among villagers were another communication channel. There were many new issues emerging with which the villagers had never encountered in their past farming activities when they first set up tourism cooperative. One leader summarized that operating tourism made the farmers felt like a fish out of water. The tourism cooperative was not mature and had to experience a long period of growth process. Many practical issues on how to manage and how to service tourists were new for farmers and required specific skills that could only learn on the job. Meetings among leaders and with villagers were necessary for finding out implacable solutions. All of the twelve leaders discussed the problems every 3 to 4 days and every day sometimes and got off work together until everyone had completed their work separately. The leaders admitted that they could not forecast all the problems and all that they could do was to cope and learn how to solve problems. Therefore coping, summarizing both good and weak reactions, criticizing weaknesses in management were three major topics in the leaders’ meetings. Three months after the opening of the tourism cooperative, there was a serious accident which cost more than RMB30000 compensations to the tourist who had falling down from the horse during his visit. The cooperative learned from this accident and worked on buying insurance for their business after that.

In addition, villagers had meeting in separate groups after the leaders achieved certain consensus to discuss the solutions from the leaders and deliver their feedback, once or twice every month. Mei explained the process of the villagers meeting: “Our group leader claimed with what the leaders had agreed at first and he asked us to point out the inappropriate part in his statements. Our suggestions were warmly welcomed and would be adopted because we villagers
were the one who serve tourists so that we were familiar with tourists. The discussion process was magical because we normally found out a better collective solution together after everyone stated their own opinions. Most of us enjoyed this discussion process which even lasted to 12 pm sometimes. The group leader then collected our opinion to the leaders’ meeting of cooperative by which the output of our discussion would be implemented officially.” Being open and adopting certain suggestions stimulated mutual communication between leaders and villagers. Most rules of cooperatives had been figured out via villagers’ discussion including prices of each route, the amount of commission, regulation on leading horse, sanitary of horse saddle, and personal dressing codes. A large map was presented in the tourist center to show clear visitation routs to tourists who would be clearly informed with the price and viewable scenery. Those rules were easier to implement because it was the consensus of most villagers. Tourists’ satisfaction increased with those standardized rules and management. Those warm discussions act as catalyzer of inter-organization relationship as claimed by Mr. Zhao that “we became more united after frequent communication with each other and we tried to think in the shoes of each other after knowing how others think”.

Besides the leaders’ modest attitudes, combining village’s development with tourism had been found as another main factor which increased the involvement of villagers. Collective development funds had been accumulated and could be used in village constructions. During the meeting with villagers, the discussion topic focused not only on how to serve tourists, but also about other village related issues, such as constructions, which had invoked the interests of villagers to participate in. Mr. Li from group 5 claimed that “It was difficult to walk in the muddy road while raining. So I took the chance of group meeting to address the needs of harden the surface of road.” Like Mr. Li, many villagers regarded those meetings as important channel
to express their concerns. Attributing to this democratic meeting, constructions were undertaken on behalf of most villagers. The Ethnic and Religious Affairs Bureau of Yulong County had planned to build a dancing square with one million RMB for Yuhu, which was adjusted after the discussion with villagers. In comparison with dancing square, most villagers thought it seemed more urgent and practical to use that money on building activity room for elderly people, roads, and old resident house of Rock. Those democratic meeting had improved the positive impacts of cooperative on most villagers.

4.4.4 Limitations

4.4.4.1 Marketing

Owing to the work on different stages, voices against from villagers, tourism capability, and current growing market, marketing was the largest problems that the tourism cooperative neglected. As described in previous section on the poor conditions of Yuhu village, the priority at the initial stage was to improve the infrastructure and environment. The work of the tourism cooperative at that time was not focused on marketing. The villagers, who held practical views, expressed strong attitude against using collective funds to promote advertising when the leaders proposed so. And the tourism capability of Yuhu village was limited and they could only receive the tourists within their carrying capability because they were also responsible for protecting environment. Satisfied with current stable and slow growing numbers of tourists, the leaders of the tourism cooperative thought tourism market was unnecessary.

4.4.4.2 Two sides of ownership and responsibility

The tourism cooperative was the mutual property of every Yuhu villager, not belonging to anyone. Some villagers interviewed usually addressed the collective characteristic as “our
tourism cooperative”. The tourism cooperative was not registered in with the government officially even though it had operated and been called as “cooperative” for years. The reason for not registration was the villagers did not allow one person to be the official recognized person which was one of the requirements of registration process. The leaders had made selfless contributions to this collective organization because of this collective characteristic. Working for more than 15 hours a day was usual for the management staff at the initial stage. Their work slogan was “start to work with the first tourists and go home after completing everyone’s work”. There was no extra bonus for their long working hours. What supported them to work hard was their dedicated contribution to their collective organizations.

The dedicated view, however, changed after 2-3 years. Who would take the responsibilities as nobody held ownerships of the cooperative? The management staff were democratically elected by the villagers for a three-year-duty period, which meant their jobs were granted during their duty years. And there were no monetary motivations for their further dedication. Some leaders admitted their attitudes changed: “our performance would not affect our salary. What we need to be concerned about was not our salary but the profits of the cooperative. We could get our stable salary even the cooperative lost money.”

In 2008, the number of tourists dropped dramatically. More villagers expressed their anger by accusing the leaders of corruption. The author only presented the tense relationship between the villagers and the leaders without any justification. Ten out of the 60 respondents questioned the leaders’ corruption by complaining about the leaders’ trips and consumption of luxury items. Some villagers noted that the leaders were taking advantage of their position by using public money for funding their private travel. Frequently eating in restaurants had been regarded as a luxury example of taking their position advantage. On top of this, the leaders did not know how
to answer villagers’ questions. Due to the public force, the financial management of Yuhu village was handed to the township authorities. The villager leaders had to write a project plan first to apply for the use of their collective funds. One leader thought stricter financial management was good evidence of their innocence. Leader Lv stated that the villagers used to hold prejudice towards their leaders without regarding their explanations. The villagers still questioned them. Furthermore considering the frequent accusations, the leaders who did not own and taken responsibility for the cooperative had to deal with the pressures from the villagers. In that situation, the leaders had two choices:

- Plan A: Still operate the cooperative by themselves and take risks. But put more effort into marketing that they were not familiar with and face the pressures from villagers. No matter the cooperative get benefits, they still take the same wage.
- Plan B: Rent the tourism cooperative to a private boss. The boss would be responsible for the management issues. Take the same wage and without villager pressures.

Under this situation, how many leaders were dedicated and would not choose plan B? Most leaders chose to rent their tourism business to a external company in 2009.

**4.4.5 A summary of tourism impacts in stage 2**

In conclusion, there have been visible improvements in the wake of the tourism cooperative’s establishment. The poverty experienced by many villagers has been alleviated in terms of both resources and power, and the cooperative has utilized the democratically expressed public interests to expand and strengthen the positive effects of tourism. The non-monetary benefits of the tourism cooperative were obvious. Owing to the public nature of the business, the collective benefits allowed the growing tourism industry to positively impact the whole village. The communal funds utilized in education, for services for elders in the village, and for
improvements to basic and tourism infrastructure supported the further development of the tourism cooperative. Even though the tourism cooperative was an empty-started business, the initial use of volunteers provided a foundation for its development and success. The tourism cooperative effectively negated any competition among villagers and served as a public platform for their concerns while providing an equal ownership stake in a business. Together, these things allowed villagers to come together to figure out the challenges that emerged from outside environment.

4.4.6 Transformation from collective operating to rent to private boss

The number of tourists in Yuhu dropped dramatically in 2008, as a result of external fierce competition as well as internal management problems. The number of tourists decreased to one quarter of the previous year. Each villager only worked once per week. Fierce competition from other local villages, financial depression, and Wenchuan earthquake were identified as major external reasons. Yuhu village was the first village that offered horse riding to tourists and demonstrated progressive tourism business opportunities to other villages with considerable profits. Two years later, many villages, like Yulong village, Lashihai villages, in Lijiang started to explore the horse riding business. According to the statistics of the government, there were 28 tourism cooperatives established in 2008 to operate tourism horse riding businesses. Some leaders also pointed out the depression tourism market in 2008 as a factor. The statistics from higher levels of government (Lijiang City Tourism Broad, 2008; and Yunnan Province Tourism Administration, 2008), showed the increase of the number of tourists. Therefore, the financial depression and Wenchuan earthquake were not taking into consideration and the fierce competition of horse riding businesses was the main external reason of the great falling in the number of tourists.
Poor management, negative reactions from villagers, and illegal gold mining were several of the negative impact factors. Misfortunes never come single. In 2008, many villagers, including some leaders, started illegally mining gold on the mountain during the night. It was a high-risk endeavor but one that produced high profits with several hundred RMB gaining one night. Because horse were necessary for this mining work, some villagers refused to use their horses to work for the tourists during the day because the horses were tired after carrying gold in the night. These illegal actions negatively affected both the cooperative’s managerial staff and villagers. There was a saying that “Horses in Yuhu village only carry gold rather than tourists.” Lack of confidence in management, bad attitudes, the poor management style of a new leader, and the poor implementation of rules resulted in a period of poor management. The management board of Yuhu did not realize the highly competitive nature of the tourism industry and believed they had strong bargaining power in their interactions with other tourism businesses and service providers. “The drivers took tourists to our village. Our leaders did not treat them well. On the contrary, the drivers earned higher commission and were served a free lunch in Lashihai. It was reasonable why most tourism intermediaries brought tourists to Lashihai, not us”, a villager said.

A former head had promoted work in the township government. The new head did not have enough business experience and skills to do the same. The managerial staff tried to delay their work start time from 8 am to almost noon. The head felt she had not power over this situation despite the fact that rules had been established on RMB50 punishments for late work. Other managerial staff lost confidence in their cooperative and felt it would be closed at any day. Because of this uncertainty, preview settled rules were poorly implemented. The critical voices of villagers placed the strength of management in jeopardy. There were frequent complaints about the managerial staff’s mistakes and a general refusal to obey their orders. Trying to put
himself in the position of the leaders, one villager noted that: “It was not the leaders’ fault. The competitions were fierce at that time. And the leaders had to face the public forces”. The previous horse bosses in the village wanted to set up an investment company by themselves. But the general and poor people rejected it because they were afraid of returning to the unequal system where individuals operated their own business rather than everyone having a stake in the tourism cooperative. Most of the villagers had a strong desire for equal development. They thought every villager would receive an equal opportunity if they rented their business to an outsider. The villagers did not trust their leaders and the leaders did not do well because of the organization’s internal collapse.

4.6 To be an arm-flinging business-keeper

4.6.1 Stimulates on managerial staff

The company operated differently from the cooperative in three ways: stimulates on managerial staff, strict standardized management, and less input on public development First, the managerial staff grew from 12 to 46. Most of managerial staff was comprised of villagers from Yuhu. Some villagers complained that those who had relatives who were village leaders secured those jobs easier than others without such connections. The company set up clear positions with different responsibilities for security, service quality, hygiene, horse arrangement, and performance. More checkpoints were set up to ensure service quality with one staff member assigned to follow each tour group. Each managerial staff member received health insurance and a compensation rate. The working hours were clearly regulated (8 am to 4 pm) with extra pay for overtime. The staff became difficult for management to deal with when employees lost confidence in the cooperative. Most of them went to work late and the punishment was ineffective for them because they thought the cooperative would collapse at any time and they
would be out of a job regardless. At the beginning, there were no tourists because the positive effects of marketing had yet to be realized. The same punishment policy implemented in the company functioned well because the staff believed that their boss was rich enough to pay them and could sustain this model for a long time. On difference from the cooperative time was that the staff in the company was more responsible, in part because they thought that they would lose their jobs if they did not perform well. Clear, strict, and more stimulates lied in the managerial jobs in the company today.

The company definitely was profit driven and thus gave less consideration to the interests of the villagers. The cooperative provided two types of insurance: one for tourists in case of accidents; another for horses in case of death. The horses were at risk of eating the poisonous plants on the mountain such as Aconitum kusnezoffii Reichb. Five incidents of poisoning happened during the cooperative time. The new boss, however, when the need arose to cut expenses, did not buy insurance for horses. When a horse died in an accident, its owner was responsible for the loss. Another noticeable change was that there was not any infrastructure projects funded by tourism profits in the village any more. The public funds were limited to the RMB250000 rents which only covered the village committee’s expenses with the remainder distributed to every household. The boss set a small amount of profits aside for public good, such as supporting youth football games, and pensions for villagers injured in accidents.

4.6.2 Quick returns strategy

Small profits and quick returns were the goals of a new operations strategy that targeted only package tourists. More than 50,000 package tourists, accounting for 80% of the total number of tourists, visited the village in 2011. The villagers who had experienced the change from individual tourists to package tourists made clear the differentiations between the two groups:
“the package tourists were less profitable and less tips. They loved to and been arranged to cover scenic spots as many as they can. They had no time to chat with us during the harsh visiting. Most of them were not generous to give up tips as individual tourists did. Package tourists visited our village all year round without seasonality. What the package visitors usually did was just visit around our village and did not climb the mountain, which means the tourists were safer than before. It was a long value chain in package tourists whose considerable profits had been earned by the travel agencies in their origin place while we can earn more from individual tourists because of shorter value chain. Keeping good contacts with travel agencies was critical to ensure stable package tourists. The travel agencies treated contracts seriously. Therefore, there would be no tourists if there were complaints. But we like the individual tourists who chatted and danced with us on the mountains. No matter what, we should admit that it was because of the boss that we could have so many tourists now.” This is a summary from the interviews with villagers about the differences between individual and package tourists. One managerial staff member revealed that their company earned very little from package tourists as individuals; the goal was to pursue a number of tourists to accumulate profits.

Most villagers complained about the lower income package tourists provided saying things like: “No package tourists bought the expensive itinerary today.” Most of the villagers’ work was for the two newly added short routes, charging RMB20 and RMB33 respectively. Most respondents felt they were just cheap labor earning less income even though they provided services for more tourists now. They calculated their wage this way: one service every two days earned RMB20, equal to RMB10 for each day. It was not profitable because the RMB10 did not cover both their labor and the grass for horses. This low paid work caused a change in villagers’ attitudes toward tourists. Some informants indicated that they were providing only the most basic
of services aiming only for no complaints from tourists as they tried not to concern themselves with other issues such as low payment. In comparison to the cooperative time, they normally sent the tourists to the supposed destinations with much less supervision. The villagers’ modes of operations changed as they stopped adhering to the village’s rules and customs to following the company’s strict regulations. In the past, their attitudes were positive and they worked for the collective benefits. Under the company’s management, the attitudes were negative. Some of them did not respect the management of the boss. Others thought it was useless to complain because it was only the boss who could bring them the tourists.

4.6.3 A summary of tourism impacts in stage 3

After renting tourism businesses to a private boss, there was a noticeable decrease in meeting public interests as well as villagers’ attitudes. Only the villagers who were employed as managerial staff profited from this arrangement. Most of the villagers lost their sense of ownership because they were no longer able to participate in management issues. They felt that all they could do was simply listen to orders from the boss as they experienced life under strict managerial supervision.
5. Discussion

In this chapter, the results of the current study are discussed. The first section discusses why the multidimensional view of poverty is pivotal to pro-poor studies, thereby addressing the third objective. The second section verifies the effectiveness of tourism co-operatives by introducing related theories, such as the livelihood approach, resource dependence theory, and the destination life cycle. This theoretical triangulation confirms the effectiveness of tourism co-operatives, and thus the second objective is achieved. Five possible roles of tourism co-operatives emerged from the field data, thus addressing the third research objective. Research dependence theory was introduced in discussing the relationship between tourism co-operatives and their environment, consistent with the fourth objective of this study. Finally, two emerging issues from the field are mentioned to attract further research attention: government relief versus tourism and tourism and commodification.

5.1 Understanding poverty

5.1.1 Multidimensional View

A multidimensional understanding of poverty is necessary in tourism studies to remedy its historical disconnection from the poverty literature. As Scheyvens (2011) pointed out in her latest book *Tourism and Poverty*, none of academic publications on pro-poor tourism have included a substantive discussion of the term “poverty.” Scheyvens herself was the first tourism scholar who thoroughly discussed the definition of poverty in the context of tourism. In recent poverty studies in tourism, scholars have called for a broader analysis of poverty; one that
extends beyond a purely economic aspect of pro-poor tourism (Zeng and Ryan, 2012). This thesis responds to such calls for a more expansive view and definition of poverty which is why considerable attention was paid to its definition during the literature review. By tracing the understanding of poverty as it exists within the fields of economy, sociology, and anthropology, the author argued that poverty is a multi-dimensional concept and includes the insufficiency of power (Sen, 1999; Green and Hulme, 2005; Narayan, 2000).

Community-based organizations received both positive and negative attitude in pro-poor tourism literatures because of two different streams of debates. The first camp consistently elaborated on the high degree of control these organizations had over tourism development (Scheyvens, 2011). But they separate community-based tourism, including pro-poor tourism, as a special tourism form, rather than being engaged with mainstreams tourism industry (Goodwin, 2008). The opposite camp challenged the potential of community-based organization to alleviate poverty because they are not large-scale operations and it is difficult to grow them. From this point of view, poverty alleviation could only be achieved by attracting large investment to upgrade the economic scale and then bring in “trickle down” effects to local communities via taxes. Thomlinson and Getz (1996) questioned the vulnerability of small scale eco-tour businesses. Scholars believe that only large scale operations could spur large scale employment (Burns, 2004). The latter camp failed in explaining why the poverty rate increased despite the rise in tourists in some famous tourism areas, like Fiji (Schyvens and Russell, 2012). The government normally distributes the profits generated from tourism of poor rural areas to add or fix the urban infrastructure (Donaldson, 2011; Scheyvens, 2011). The “trickle down” effects of this scheme on the poor people are limited even when there is positive growth of the tourism industry (Goodwin, 2009; Hummel and Duim, 2012; Schyvens and Russell, 2012).
This is because growth in tourism does not necessarily benefit a country’s poorer population. Researchers claim that tourism development has the potential to reduce poverty. Whether this potential can be realized is dependent on the degree of participation of the poor in a community. This is the reason why some scholars have criticized the implementation of the Sustainable Tourism – Eliminating Poverty program initiated by UNWTO (Nawijn, Peeters, and Sterren, 2008). The gap between economic growth and poverty alleviation is not limited to tourism. Since the 1990s, scholars in poverty studies have cited numerous exceptions to any direct relationship between economic growth and poverty reduction. By examining two exceptional cases (case of poverty reduction without economic growth and case of economic growth without poverty reduction), Donaldson (2011) suggested governments focus their attentions on the importance of distribution and structure beyond economic volume. He advised that a micro-oriented economy could achieve a greater degree of poverty alleviation despite its modest scale. Additional positive effects of micro-oriented organizations would be visible if more attention was paid to the non-material aspects of poverty in pro-poor tourism. Communities-based organizations, however, are criticized because of their perceived limited impact and modest scale. And this is because, as mentioned above, tourism studies perpetuate a narrow definition of poverty that is based only on economics (Zhao, 2009) while ignoring their impact on non-economic aspects. To remedy this and advocate for a multi-dimensional understanding of poverty in tourism, it is necessary to consider both resources and power when examining tourism’s impact on local communities.

5.1.2 Perception of poverty from local villagers’ perspective

The local villagers’ perception of poverty supported the basic argument of this thesis: that poverty is not only a lack of material resources, but also a lack of resources necessary to build human and social capital which is the new trends proposed in recent pro-poor tourism studies by
Tao and Geoffrey (2009), Mitchell and Ashley (2010), and Scheyvens (2011). The villagers interviewed expressed their bitterness at their lack of both material goods and power which resulted in low social status, low educational level, feeling of being ignored and limited opportunities. In the past, the poor villagers felt restricted and had difficulty finding any solution to remedy their situations which echoes that poverty definition of Scheyven (2011) that “poverty is also lack of opportunities (p. 223)”. As the barriers indicated by one respondent that low educated level is closely associated with low capacities in finding a job in large cities, the result of poverty further blocked his developmental opportunities. He finally decided to leave to the city and came back to his village where he can maintain his life on farming. Sen (1999) has defined this situation as “failures in acquiring certain basic capabilities”, one composition of multiply-dimension of poverty. Therefore, the evidence from the in-depth interview confirmed the essential asserts on broad understanding of poverty of this thesis. How might they take advantage of the abundant opportunities provided by the tourism industry to better their situation? The Yuhu tourism cooperative provided one such opportunity.

5.2 Measure the impacts of tourism cooperative in poverty alleviation

5.2.1 The Livelihood Approach

The Livelihood Approach: Pure measurements that are narrowly focused on monetary scales have been excluded after proving the validity of the multi-dimensional understanding of poverty. Several measurement frameworks have included non-monetary scales in poverty studies. Jamieson, Goodwin, and Edmunds (2004) regard livelihood analysis as an appropriate method in pro-poor tourism studies. The adoption of the livelihoods analysis is based on abundant Pro-Poor Tourism Partnership’s research and case studies (Jamieson, Goodwin, and Edmunds, 2004). Tao and Wall (2009) criticize slippery of sustainable development and advocate a sustainable
livelihoods approach (SLA) for pro-poor tourism. However, few tourism studies have employed the SLA, except for two conceptual discussions by Jamieson, Goodwin, and Edmunds (2004) and Tao and Wall (2009).

The livelihoods approach, also known as Sustainable Livelihoods approach (SLA), originates from the understanding of vulnerability (Ellis, 2003; Jamieson, Goodwin, and Edmunds, 2004) and has been widely adopted in rural development research with substantial literary evidence (Rakodi, 2002; Hussein, 2002; Ellis, 2003; Jamieson, Goodwin and Edmunds, 2004; Tao and Wall, 2009). “The concept of ‘sustainable livelihoods’ is increasingly important in the development debate” (Scoones, 1998 p. 2). The livelihoods approach is defined as “a form of systematic analysis that seeks to assess the many issues that affect how the poor put their living together and sustain their families and goes beyond what is often thought of as ‘economic’ (earnings) or ‘social’ (health, culture) to address livelihood security” (Jamieson, Goodwin, and Edmunds, 2004 p. 16). The livelihoods approach has been employed in the practices of the Department of International Development (DFID) in the 1990s (Hussein, 2002). A wide range of poverty studies have adopted the livelihoods approach in analyzing, understanding, monitoring, and managing pro-poor related interventions (Rakodi, 2002; Hussein, 2002; Ellis, 2003). Livelihoods analysis has also been used by poverty alleviation agencies such as the DFID, World Food Programme, Overseas Development Institute, Food and Agriculture Organization, and Oxfam International (Rakodi, 2002). The livelihoods framework consists of contexts, livelihood resources, organizational structures, livelihood strategies, and sustainable livelihood outcomes (Scoones, 1998). Livelihoods resources are defined as “the ‘capital’ base from which different productive streams are derived from which livelihoods are constructed” (p.7, Scoones, 1998). Analysis of livelihood resources enables the pursuance of different livelihood strategies.
Researchers and agencies have divided livelihood resources into six types: financial, human, natural, cultural, physical, and social capital (Rakodi, 2002; Hussein, 2002; Ellis, 2003; Jamieson, Goodwin, and Edmunds, 2004; Tao and Wall, 2009).

The analysis results of livelihood resources (Jamieson, Goodwin, and Edmunds, 2004) has been applied in analyzing the impacts of the livelihoods approach on Yuhu village in three different stages (Table 13). A significant increase in financial, human, physical, and social capital has been observed on the flow of resources between Stage 1 and Stage 2. The wide coverage of benefits and improvement in human and social capitals originate from the formation of tourism cooperatives. The positive impacts of tourism have spread from the elites in the village, which comprise approximately 7 to 8 households, to the whole village. Every villager benefits in tourism development. The high involvement of community residents has been identified as the key to achieving pro-poor effects (Rakodi, 2002; Hussein, 2002; Ellis, 2003; Jamieson, Goodwin, and Edmunds, 2004; Tao and Wall, 2009). All villagers, including leaders and normal villagers, learn how to operate a tourism business during the indigenous development process of the Yuhu tourism cooperatives. The brainstorming sessions among villagers produce fruitful regulations and strong tourism awareness.

A decrease in human and physical capital is noticeable for the flow of resources from Stage 2 to Stage 3. Financial capital also decreases from all villagers to employed villagers in the company. The elimination of ownership and passive attitudes makes the villagers re-think the impact of tourism on their lives. Therefore, the Yuhu tourism cooperative effectively alleviates the poverty of Yuhu villagers by increasing their financial, human, and social capitals.
### Table 13 Livelihoods Resources of Yuhu Village in Three Different Stages

<table>
<thead>
<tr>
<th>Capital of Livelihoods Assets</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Less than RMB70 collective funds; individual annual income RMB970; Low agricultural returns; Multiple alternatives; depend on government relieve; Few affordable goods; 7-8 household dominates the tourism business in village &amp; around 2/3 villagers cannot participate in tourism</td>
<td>More than 1 million collective funds; Individual annual income RMB 2700; increased consumption; purchase previous thought of luxury items</td>
<td>Around 40 wage work position; 250,000 annual renting income; less profits from each tourists</td>
</tr>
<tr>
<td>Human</td>
<td>Deficiency in education; 80% primary school attendance; Limited opportunities; lake of business regulation;</td>
<td>100% primary school attendance; progress in education quality; stronger communication skills; natural conservation awareness; stronger tourism business awareness</td>
<td>Limited villagers to do the simply physical task, seldom involved in management issues</td>
</tr>
<tr>
<td>Natural</td>
<td>Good snow view; abundant water resources; live on wood-cutting</td>
<td>Large visitation on mountains by individual tourists</td>
<td>Heavy visitation around villages by package tourists</td>
</tr>
<tr>
<td>Cultural</td>
<td>Traditional Naxi culture;</td>
<td>Better welfare on elder</td>
<td>Communicated “culture performance”</td>
</tr>
<tr>
<td>Physical</td>
<td>No public construction</td>
<td>Basic infrastructure improvement on road and tap water; building touristic infrastructure such as series of water landscapes, signs, and tourists centre</td>
<td>Fewer construction on public construction</td>
</tr>
<tr>
<td>Social</td>
<td>Low status; Feeling of being ignored; labour sharing among villagers</td>
<td>Close social connections; voluntary work; feeling of well-being; equal among villagers; supports from outside; force of public opinions; democratic; sense of ownership; strong bargaining power; higher level of trustworthiness; Limited marketing budgets; attentions to trivial issues</td>
<td></td>
</tr>
</tbody>
</table>

#### 5.2.2 Destination Life Cycle
Butler (1980) has developed the destination life cycle based on the concept of product cycle to describe the changes in the number of tourists over a length of time. The author has divided the evolution of a destination into different stages: involvement, exploration, development, consolidation, stagnation, rejuvenation, and decline (Figure 10). However, the life cycle theory is criticized for lack of clear turning points between different stages (Cooper and Jackson, 1989), no forecasting implications, and ignoring external factors such as competition, merging of new destination, and policy changes (Dhalla and Yuspeh, 1976). Nevertheless, the destination life cycle is still a useful analytical framework for examining the evolution of destinations (Cooper and Jackson, 1989; Douglas, 1997; Tosun, 2006). The application of the destination life cycle is destination specific and differs in length, shape, and pattern (Cooper and Jackson, 1989).

The 20-year development of the tourism industry in Yuhu village reveals that many factors support the destination life cycle model, such as the growing and descending trends of visitors,
the local communities’ participation in tourism, and the involvement of outside investment. The number of visitors in Yuhu village between 2003 and 2009 (as Figure in the finding section) showed a growing, reaching the peak in 2008, and then falling down sharply in 2009. This is the nature development process of tourism destination. The three stages outline three different forms of operation in Yuhu village and overlap with the exploration, involvement, and development stages in the life cycle. The life cycle begins with the involvement stage, which is characterized by underdeveloped local facilities and a small number of tourists who belongs to Plog’s allocentrics and Cohen’s explorers (Bulter, 1980). Respondents from Yuhu village describe these tourists as “audacious”, “home stay seeking”, “highly curious”, “generous”, and “lack local knowledge”. These tourists also frequently come in contact with local villagers. Tourism is still a relatively new business for most villagers. Only a small number of villagers are involved in the tourism business.

The involvement stage is the next stage. This stage is represented by an increasing number of tourists. Stage 2 is considered as the involvement stage because of the increasing number of tourists and the increasing number of local residents involved in catering for tourists and obvious tourist season (Butler, 1980). Villages involved in the tourism business suddenly increase from 100 households to 400 households after the establishment of the Yuhu tourism cooperative. Chart 3 (Section 4.4.3) shows that there is significant visitation increase since 2004.

The development stage is characterized by the formation of a well-defined tourist market, presence of heavy advertising, decline of local involvement, and superseded by external companies (Butler, 1980). Yuhu village has been at the development stage (Stage 3) of the destination life cycle from 2009 to the present. Intense competition has increased the disadvantage of locally owned small businesses in terms of financial resource and management
experience. Tosun (2006) further adds imperfect market conditions as one of the reasons why locally owned, small tourism businesses do not survive. The Yuhu tourism cooperative is unable to meet high-level challenges from the environment. This problem is not only evident in Yuhu village but also in many developing countries (Tosun, 2006). Therefore the failure of the Yuhu tourism cooperative in marketing their village in 2008 is understandable. Marketing is necessary for tourism business to survive. The external company has invested for two years on marketing to bring a consistent number of tourists for the following year. Butler (1980) has predicted that tourists change to Plog’s classification or Cohen’s institutionalized tourists. This change is evident in Yuhu village. The target customers of the Yuhu co-operative changes from individual tourists to packaged tourists after renting the business to a private investor in 2009.

The consolidation and stagnation stages denote the critical range of the capacity of elements. The consolidation stage is characterized by a large number of visitors that exceeds the number of residents; this stage also acknowledges the role of tourism in the local economy (Butler, 1980). The numbers of visitors reaches its peak in the stagnation stage. Thereafter, the rejuvenation or decline stage follows. Yuhu village experiences the cycle illustrated by Butler (1980) in the destination life cycle. The destination life cycle was developed when tourism demands increased after the recovery of the post-war economy and tourism destinations experienced the whole process of tourism development. The case of Yuhu village shares many similar characteristics with the destination life cycle. These similarities can be used to improve the applicability of the Butler destination life cycle in the context of Chinese culture. However, destination life cycle is not a forecasting tool and not all areas experience the same stage cycles. The elaboration of the consolidation and stagnation stages has provided useful suggestions for Yuhu village. The most important implications are the participation of local residents and the selection of target tourists.
Permanent residents may show resistance or discontent towards tourism if they are excluded from the tourism development in the community. This problem has been specified by Butler in the consolidation stage. For another, the type of visitors has changed from Plog’s allocentric type to institutionalized tourists in Yuhu village. Previous studies have indicated that this change in tourists causes lost local control over their tourism development because institutionalized tourists are more dependent on travel arrangements (Cooper and Jackson, 1989; Tosun, 2006).

Discussions on the destination life cycle of the 20-year tourism development in Yuhu village reveal that part of capital accrualment can be attributed to the normal development process. However, clearly differentiating the influence of the destination development process and the Yuhu tourism cooperative is difficult. Questions also arise on the importance of the clear differentiation of the pro-poor impact of tourism and tourism cooperatives. In addition, the Yuhu tourism cooperative was established when the village gradually entered the involvement stage, which requires involvement from local residents. The development time benefits the cooperative. Tourist demand slightly outweighs the supply. Even villagers that lack basic tourism skills are given ample time to learn because competition on the market is not that strong. The Yuhu tourism cooperative may have dissolved if it was established very early in the involvement stage because of the weak tourism demand. On the contrary, if the Yuhu tourism cooperative emerged late in the development stage, the cooperative may not have lasted for a long time because of the strong competition under an imperfect market. The Yuhu tourism cooperative operated for five years with noticeable improvements and honours. The cooperative was considered a model for many rural destinations. The appropriate establishment time has provided several specific advantages in the Yuhu tourism cooperative. The following section of the paper discusses the
first early warning implications for Yuhu from the destination life cycle and the role of the Yuhu tourism cooperative in poverty alleviation.

5.2.2.1 Tourism incomes versus wine and tobacco costs

Previous researchers noticed that tourism may reduce the vulnerability of poorer groups to shocks like hunger, but it cannot served as a tool for eliminate absolute poverty (Mowforth and Munt, 1998). The local residents’ attitudes towards tourism might change from positive when they suddenly got benefits from tourism to negative after they were not satisfied with the limited benefits. This attitude change could evidence from Yuhu case. The negative attitudes could be upgraded in later life cycle stages.

All the villagers I spoke with said that tourism has ameliorating their living conditions. Income from tourism, however, did not bring big changes to their lives. Most villagers explained that tourism was just one of their part time jobs often in addition to farming. They had little belief that tourism would actually significantly improve their lives after several years. For instance, in Mei’s family several family members’ experienced repeated illness including her father whose disease made him unable to work. Due to their financial difficulties, they were still using a 14-inch television and furniture in very poor condition. Mei’s grandfather claimed that “We only get 20 Yuan payment for one tourist. That is able to cover a pack of 10 Yuan tobaccos and lunch. Where can I get extra money for my breakfast, dinner, wine, tea, clothes, shoes, salt, and oil? I had to do other work to gain enough money in order to cover our cost of living.” The spending of large portion of one’s income on tobacco and eating out contradicts the traditional image of poor people who are believed to reduce their cost of living by purchasing nothing but necessities. But like Mei’s grandpa, most male informants mentioned that the income from tourism did not cover their wine and tobacco costs.
One villager noted that the enthusiasm among villagers was not as strong as it had been during the beginning stages of the tourism cooperative. Villagers who experienced the benefits of tourism cooperative are now increasing their expectation on the economic benefits from tourism. It is reasonable that they were not satisfied with unchanged income. According to the cadres, associating tourism incomes with money for wine and tobacco was common among villagers. However, one officer from the local government presented a different view by addressing the importance of wine and tobacco in Naxi culture. Naxi culture highly values wine and tobacco in the context of social relationships. There is a hundred-year-old tradition that everyone should bring along wine and tobacco for everyone they know after they returning from the center of Lijiang. Nevertheless, the growing dissatisfaction with tourism income presents a concern for the management of tourism cooperatives as villagers may have increased expectations as tourism continues to develop in their region.

5.3 The role of a tourism cooperative in poverty alleviation

After studying the issue of poverty from a multidimensional perspective, examining the impacts of the Yuhu tourism cooperative, and discussing possible impacts of the destination life cycle process, the author then analyze the role of the Yuhu tourism cooperative and how it could achieve the aforementioned impacts.

5.3.1 Collective resource accumulator- where does the starting funds come from?

5.3.1.1 Outside investments and risk responsibility in highly competitive markets

This thesis is not meant to suggest that large outside investments do not benefit the poor in general, but rather to raise concerns about the extent to which the government is heavily focused on using outside investments to alleviate poverty. As noted in the pro-poor tourism literature,
outside investments can provide superior wages and training opportunities for local workers. In such situations, the local community can become more profitable and experience less risk than if tourism businesses were owned and operated locally (Butler, 1990; Weaver and Oppermann, 2000; Meyer, 2008; Scheyvens and Russell, 2012). But those benefits are dependent on whether members of the local community are involved in higher management and whether outside investors address the ability of local residents to build the industry. There are many possibilities that are dependent on the situation. In the case of Yuhu, a private boss benefitted only the managerial staff, in part because he failed to provide high quality training. The majority of villagers did not earn significant profits. And during the training provided to Yuhu villagers, they were told to keep the amount of profit they earned a secret from tourists. Most informants expressed their anger at being forced to hide their real income from tourists. If their income continues to remain static this, in combination with their anger and dissatisfaction, might be negatively affect tourism development.

In recent years, the government’s plan was to attract more outside investment in domestic tourism development. One government officer suggested that Yuhu village was lucky enough to attract investment from outside to enlarge the scale of business. Unfortunately, lack of currency restricted further development in remote regions. Some government officials, however, overvalued the ability of outside investment, which—it was believed--would spur rapid development, provide sufficient employment, and been seen as a stunning achievement in the careers of those leaders involved in such projects. There should be a certain level of caution about the sacrificing of local resources and hard pushes towards local enterprises. In the case of Yuhu, one villager concluded that “Using money to make money is easier than using one’s labour.” They also noticed that outside investors, most from northeast China, were dominating
the tourism market of Lijiang. There is much to be done on a government level to ensure a pro-poor effect. Currently the focus seems to be on attracting outside investment and discouraging local small tourism businesses in a desire to achieve standardized services across the country. As concluded by Scheyvens and Russell (2012), when governments try to attract outside, large-scale investments, they should also create policies to support local entrepreneur who have a long-term interest in the environmental and social sustainability of their ventures (p.430).

5.3.1.2 Local indigenous accumulation

Lack of funds to start a tourism business has been identified as a major barrier that prevents poor people from participating in tourism (Zeng and Ryan, 2012; Mitchell and Ashley, 2010; Scheyvens, 2011). Zhao (2009) elaborated that the threshold for running a small tourism business is higher than what is commonly imagined. Local residents need funds and managerial experience to start a tourism business. Donaldson (2007) characterized tourism as not only labor-intensive and cost-effective, but also capital-intensive. Therefore, to identify the means through which fund-related issues can be addressed is important to achieve pro-poor effects. Generally, two ways are employed, namely, attracting outside funding (Britton, 1982; Donaldson, 2007) and charity donations (Scheyvens, 2011). Through outside funding, the superior entrepreneurs may dominate the tourism development of indigenous areas. This study confirmed the validity of a third way of generating funds: by obtaining funding from the community itself.

Prior to 2004, Yuhu Village was considered a poor community. The village did not have any public funds when it started its tourism business. However, via tourism cooperatives, every villager invested in the tourism business, providing horses, collective lands, and collective development funds, and engaging in voluntary work. Given the public nature of the Yuhu tourism cooperative, it was able to obtain the cooperation of volunteers in building their tourism
infrastructure. Such volunteer work addressed the problems caused by lack of funds and laid the foundation for tourism development. Later on, as the business became more established and began to profit, villagers were required to allocate a certain percentage of their tourism earnings to the public fund of the village. These contributions gradually increased the public fund and was able to support many public constructions, both basic and tourism infrastructures. The public fund increased from 70 RMB to 1 million RMB; its accumulation rate was faster than that of any small, privately-owned tourism business.

5.3.2 Benefits distribution coordinator- who really benefits?

In pro-poor tourism, “tourism generates net benefits for the poor” (Jamieson, Goodwin, and Edmunds, 2004). Pro-poor tourism analysis focuses on the benefits to the poor rather than on the usual recipients of such benefits. Therefore, this study did not report the total tourist arrivals and annual tourism income, and conducted micro-analysis in a poor village instead. Details of the profit distribution were provided to clearly demonstrate the cash benefit flows. Generally, several rounds of distributions are included in the principles of cooperatives. The residents who work in tourism benefit from income distribution. The remaining benefits are distributed to every member, including those who do not engage in the local tourism business. In Yuhu, 40% of their collective revenue is distributed to the members who work in the business, 10% is allocated to management costs, and the remaining benefits are distributed to every member in the community, including those who are not involved in tourism efforts (Zhang, 2009). This economic benefits distribution model shows that the poor can also share benefits via such cooperatives.

One potential challenge to the findings of this study might be the differentiation between the pro-poor effects of the tourism cooperative versus the more general effects of tourism. Nevertheless, by examining the situation of villagers at the very start of the cooperative, we
observe that the majority of poor villagers did not earn profits from the tourism industry despite
the growing tourist market. Yuhu Village already had an existing tourism industry which did not
alleviate poverty many villagers suffered. Several economic studies studied the phenomenon in
which overall economic growth provided little to no benefit to the poor. By thoroughly
examining the economic development data of 92 countries over the past four decades, Dollar and
Kraay (2002) suggested that the share of income that accrues to the bottom quintile does not vary
systematically with the average income. Their findings support the argument that tourism
development does not directly deliver positive economic effects to the poor and corroborates
empirical evidence from the first individual development period in Yuhu Village. The Yuhu
tourism cooperative enabled broad-based development and established a public platform to
involve the participation of all villagers.

5.3.3 Knowledge capital building buffers-why process also accounts?

Sen (1993) introduced the concept of capability into poverty studies. In his view, poverty
includes not only low income, but also the failure to acquire certain basic capabilities including
“the actual ability to achieve various valuable functioning as a part of living” (1993, p.30). Under
this understanding of poverty, what people can do is therefore more important than who owns
what. In tourism literature, Zhao and Ritchie (2007) proposed using the concept of capability
construction in pro-poor tourism studies and suggested that “opportunity”, “empowerment”
and “security” were the key conditions for the successful alleviation of poverty. Scheyvens
was the first to apply those three determinates to an examination of the pro-poor effect. This
study of Yuhu provides a closer examination of capability in relations to increasing tourism
awareness. The author did not correct, embellish, or alter any of the informants’ vernaculars.
Through the years of tourism development, villagers described the tourism operation, with
phrases like "no commission, no tourists", but also identified keys to the success of the tourism business, such as tourists’ satisfaction and safety, and an attractive environment and culture. The tourism cooperative enabled villagers to take the theories about the tourism businesses and put them into practice. Taking construction of a series of water landscapes, for example, the farmers creatively utilized the irrigation water to build a series tourism attraction such as water wheels, water basins, water walls, and a small waterfall, inspired by the tourism development in Lijiang, an ancient town nearby. Most villagers learned how to operate tourism businesses through their jobs, as well as via their close communications and brainstorm sessions in group meetings.

Previous literature has shown that pro-poor effects were determined by the degree of participation by community residents who normally only participate in the tourism sector as employees and are seldom involved in planning and development (Zhao and Ritchie, 2007; Scheyvens, 2008; 2012;). In the Yuhu tourism cooperative, villagers' ideas were collected via group meetings and their opinions influenced leaders' behavior. Most of the management policies were formulated after extensive discussion with the villagers. Through this collectively owned organization, villagers were able to express their thoughts and opinions on the tourism development in their village.

Effective communication among tourism cooperative members facilitates their understanding of tourism development in the village. During the three-year of tourism cooperative operation in Yuhu, a number of meetings have been organized among members to discuss the tourism development issues. The leaders suggested that meeting is a good way to inform village about operational issues and stimulate participations of villagers in Yuhu. Most operational rules were established via such communication with villagers. The members' opinions were taken into consideration when formulating and implanting such rules.
Table 14 Villagers’ Tourism Awareness

<table>
<thead>
<tr>
<th>Areas</th>
<th>Aspect</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>Tourists</td>
<td>● “Foreign tourists like peaceful places, domestic tourists like noisy places.”</td>
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<tr>
<td></td>
<td></td>
<td>● “Tourists love the places different from their hometown. That’s why Sanya attracts tourists from Tibet; and Yuhu village, a mountain area, attracts tourists from the plains.”</td>
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<tr>
<td></td>
<td></td>
<td>● “Some individual tourists prefer non-commercial services. What they like is the authentic living style of our farmers.”</td>
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<tr>
<td></td>
<td></td>
<td>● “Time is more valuable than money for tourists.”</td>
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<tr>
<td></td>
<td></td>
<td>● “Tourists are our gods.”</td>
</tr>
<tr>
<td>Tour guides</td>
<td></td>
<td>● “Tour guides need to make profits from their wage. How can they make a living without a wage? That’s the reason why they had to earn from the large amount of commission from touristic shops and attractions.”</td>
</tr>
<tr>
<td>Operation</td>
<td>Satisfaction</td>
<td>● “Tourists’ satisfaction leads to better business.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “Tourists’ complaints would lead to no tourism business.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “Honesty is important in business.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “100% honesty does not exist in tourism. What we can offer at most is 95% honesty. We should hide some secrets from tourists.”</td>
</tr>
<tr>
<td>Safety</td>
<td></td>
<td>● “Tourists’ safety takes priority over any other items.”</td>
</tr>
<tr>
<td>Regulations</td>
<td></td>
<td>● “Tourism business by its nature is a game. Our villagers should follow the rules of this game.”</td>
</tr>
<tr>
<td>Commission</td>
<td></td>
<td>● “No commission, no tourists.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “Service quality, management and commission are three fundamental factors in tourism industry.”</td>
</tr>
<tr>
<td>Environment and culture</td>
<td>Culture</td>
<td>● “Tourism development needs culture. The tourists are wondering about our Naxi’s food, dress, work, festival, funeral and weddings.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “The food offered in our farmers’ families should be different from what the restaurant provides.”</td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td>● “Why is the ancient town of lijiang beautiful? It has water. In a place where there is water, there is the aura and people are willing to visit.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “A safe and clean environment is important in the tourism industry.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “It is our high quality eco-environment and ethnic culture that attracts tourists.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “Suhe ancient town is a town; Yuhu is an ancient village with a perfect position at the foot of Jade Dragon Mountain. We should be clear about our village-orientation.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● “Before we start the construction in our village, we should have a tourism business plan first, otherwise, everything goes out of order.”</td>
</tr>
</tbody>
</table>

5.3.4 Democracy and equality propeller

Equality is an important concept when establishing a definition of poverty. Poverty alleviation is not limited to specific relief to the poor, but opportunities for equitable
participation in development opportunities, such as Yuhu village’s tourism cooperative. These types of opportunities are critical for poor villagers who lack resources and access to resources. What we can see in development stage one, individuals operating tourism businesses, is inequality among villagers. Because not everyone benefited equally from tourism there was discord among villagers which even eroded relationships. It was the strong desire for equality that drove the establishment of the Yuhu tourism cooperative. And equality created unity among villagers and improved relationships. Some poverty literature shows similar findings: that equality within a community improves the security of the whole community. Narrowing the income gap between the rich and the poor has become a primary goal in some developed countries. In Hong Kong, for example, the increasing gap between the rich and poor has reduced quality of life in the country and this has created concern among the majority of people. In the past, the Chinese government proposed that allowing some of its people would lead to increased wealth for all. But now, after years of development, the Chinese government has realized the importance of narrowing the gap between the rich and the poor and alleviating poverty. The leader of the Development and Reform Commission of China recently advocated that the rich people should not enjoy their lives when so many people are poor (China Daily, 2012). The tourism cooperative allowed most villagers to participate in tourism equally.

5.3.5 Power aggregate

Previous literature did not support the viability of locally owned small businesses, conceding that they are "unlikely to yield such good economic returns" and that they experience "vulnerability". However, collaboration enables these small businesses to share risks, strengthen their bargaining power, and build a collective brand. Similar effects are reported in literature on strategic alliance. The dominant position of tourism intermediaries is recognized, and a less
mature tourism destination market is said to correspond to a stronger dominant power (Britton, 1982; Scheyvens, 2011). Emboldened by the support from the majority of the villagers, the tourism cooperative, which represented the benefit of most villagers, gained more power to raise payments for the villagers. The new tourism cooperative improved communication between the villagers and the tourism intermediaries. It once challenged the authority of tourism intermediaries and set a higher price for their service. The leaders talked to drivers and guesthouse owners to inform them that collective management can efficiently promote mutual benefit. They also persuaded the villagers to focus on long-term profits by stating their price requirements for the tourism market. Unity enabled these poor villagers to clarify their demands and gave them stronger bargaining power than they would have had if they operated individually. Thus, the villagers were able to deal with the dominant position of the tourism intermediaries in an immature market.

### 5.4 Resource dependence theory

Opportunities and constrains emerge as major characteristic of the development environment for Yuhu village. This study accordingly summarised silent opportunities and constrains in three different stages, which facilitate figuring out the relationship of Yuhu tourism co-operative and its environment. Resting on resource dependent theory, this study further identified the management role of tourism cooperative towards its environment in different development stages.

It is necessary to measure its effectiveness from the perspective of organization theories due to its organization nature. Resource dependent theory is suitable to be applied in this study because it consider both resource and power. The following chart summarized the status of three stages (See in Figure 11). There is no doubt that the tourism development environment for Yuhu village was different in three stages in terms of both opportunities and constrains. During stage 1,
few elites of the village provided tourism service to a small amount of exploratory tourists and the tourism business totally relayed on the tourism intermediates that could bring more tourists to this village. There was no clear line of between Yuhu village and outside environment. The overall environment was not favourites towards Yuhu village. The management of tourism business of this village was just symbolic management (Pfeffer and Salancik, 2003), which means that Yuhu village could only take passive response to constraints from environment.

Opportunities were favourable to Yuhu village during stage two and Yuhu village could take effective response to constraints. Constraints was still lack of experiences and knowledge on tourism business. Sharp increasing tourists with Golden Week impacts brought large amount of tourists who could not be catered by other scenic areas to this small village. Around Lijiang areas, only few villages provided their services to tourists. Tourists demands for Lijiang tourism overweight its supplied. In addition, the market bargaining power was strengthened because of the setting-up of Yuhu tourism cooperative. The individual peasant business operators united together and spoken out their requirement on tourism intermediates. As an integral organization on the market, their requests were stratified and villagers could charge higher price for their services. In this sense, the management of tourism business did not only addressed constrains from environment, but also was able to settle rules on the resources and power changes between environment and the village. The management of the Yuhu cooperative was “discretionary management” according to resource dependence theory (Pfeffer and Salancik, 2003).

As the destination became mature, more villages around Lijiang areas realised that tourism could be a profitable business that they could operate and started to operate tourism services. The operation risk increased because of the intensified competition. The skill requirement upgraded from understanding tourists’ behaviour and being able to communicate with tourists to knowing
how to operate and tourism business and requiring large financial investments. The Yuhu tourism cooperative was not able to solve constraints and transferred the tourism business management to the private boss who token the operation risk and gained the profits of operation the business. Regarding the relationship between Yuhu village and the tourism business environment in stage 3, it can be put into the category of “responsive” management which means “the management is directly related to the constraints” (Pfeffer and Salancik, 2003).

To conclude, even the Yuhu tourism cooperative finally failed and transferred the operation rights to a private investor, the management effectiveness still could be identified when separating development process into different stages. Yuhu tourism cooperative had been effective in corresponding to various constraints despite villagers still hadn’t have any tourism business operation skills. The union enabled Yuhu village made the market rule more beneficial for their own sake.
Figure 9: Resource and power of Yuhu village in three stages based on resource dependence theory

**Environment:**

- **Opportunities:** Few Allocentric Tourists
- **Constraints:** Low bargaining power & lack of experiences and knowledge

**Stage 1**

- **Resources:**
  - Low agricultural return
  - Multiple alternatives
  - Few affordable goods
- **Power:**
  - Deficiency in education
  - Low status
  - Limited opportunities
  - Feeling of being ignored
  - Eroded interrelation chiefs

**Stage 2**

- **Environment:**
  - **Opportunities:** Sharp increasing tourists with Golden Week impacts and split-flows from other scenic areas
  - **Constraints:** Lack of experiences and knowledge
- **Management:**
  - Symbolic Management
  - Discretionary Management

**Stage 3**

- **Opportunities:** More employment opportunities in Tourism business
- **Constraints:** High operation risks & intensified competition
- **Management:**
  - Responsive Management

**Resources:**
- Stimulates on managerial staff
- Strict standards
- Less input on public

**Power:**
- Simply listen to orders
- Equality
- Democratic
- Bargaining power
- Trustworthiness
5.5 Emerging issues from the field

5.5.1 Government relief versus tourism

Notably, different levels of government have put greater efforts into the development of Yuhu village largely through policy changes and relief projects that have helped many villagers. All the interviewees expressed gratitude for the policies of the central government which have created significant benefits. The central government instituted a reversal policy in rural areas by replacing the agricultural taxes with subsidization for grain producers. One of the most recent project provided funds to some of the poorest people in the village, which allowed them to build their own houses. The goal of this project was to ensure that every villager had a safe house in which to live. This policy earned praise and indeed helped some of the poorest villagers. It was criticized for the inequitable implementation and bad demonstration effects on other villagers who might think that they could save the efforts get rid of poverty by themselves as long as they can gain governments relieves. Both the villager and leaders interviewed pointed out that some relief money flowed to the rich relatives of the village leaders. One informant, for example, had two buildings in his yard, one for living and another for keeping livestock. He was one of those lucky to get the funds, but he used the money to turn the building for livestock into a new house. Consequently he had two buildings for living while some villagers remained without even one.

Another negative impact was that villagers expected both greater relief and flexibility from the government programs. Three informants spoke specifically about this issue. “I am satisfied with what I have now but it would be perfect if our government could help me to rebuild the livestock building like (informant24)’s.”
Another informant misunderstood my research was not for the government despite my clear declaration of my intentions at the beginning of my interview. He insisted on inviting me to his home and showed me that his building for the livestock was old and that he wanted the government’s relief to turn it into a new house for living. In addition to the livestock building was his living building which was built in 1999. The government relief created expectations among some villagers that the government would support all kinds of condition. Some villagers interviewed indicated their displeasure with the government: "I do not know why I have to build my house by working hard, getting up very early, going to sleep late, and saving every earnings on eating and clothes while other villagers are too lazy to work but can get their new house from government reliefs."

Compared to a project like the tourism cooperative, which improves villagers’ business capabilities and income via their work, government relief might not achieve the pro-poor effect as effectively as the tourism cooperative. In past studies, researchers have called for attention to the negative effects of directly monetary relief (Donaldson, 2007).

5.5.2 Tourism and Commodification

Tourism, as an influential activity, has greatly changed villagers’ lives and increased the speed of commodification. In the past, this remote village as disconnected from urban areas was in a stillness state. The collective lifestyle was simple and stressed personal relationships. Everything became connected with commodities as tourism developed. Voluntary labour and dedication were two characteristics of the villagers’ lifestyle and attitude that disappeared during the commodification process. Villagers
used to share the burden of their labours with neighbours or close relatives when they could not handle their own work by themselves, such as during the peak seasons of farming, family ceremonies, and building things. In return, they would offer their labour when neighbours needed assistance. But when every villager began to work in tourism or took a temporary job in the town centre, villagers either hesitated and avoided asking for help from friends and relatives because the voluntary labour came at the expense of other opportunities to make money. One villager noted the decline in voluntary labour. He had three brothers, two of whom had good temporary jobs in town centre and another youngest brother who was farming and leading horses in the village like him. He only asked for help from the youngest brother who was because he earned less than the other two. How much one earned affected the relationship. He started hiring workers from both his own and other villages because he thought money made the relationships more clearly defined. He did not owe the helpers anything because he paid them.

In addition to money playing a greater role in defining relationships, dedication was the other obvious cost incurred from the growth of tourism in Yuhu village. Both the previous and current village head explained that dedication only existed in Chairman Mao’s time and that practical views were dominating the present leader’s work. Three of the informants were either former village heads or accountants in the 1990s when the village was remote and had a less of commodification. They explained that it has been difficult to work so hard for their village without considering how it benefitted them, having to walk more miles to the township government, and sharing their own belongings to the whole village. I asked one informant who had been the village accountant in the 1970s any corruption that occurred from people taking advantage of
their position. He answered that such a thing was highly unlikely because of public censure. “Who dare to corrupt? All the villagers would criticize you in public.” The dedication lasted until the beginning of the tourism cooperative when the small village was just about to open to the market. As mentioned in the findings, there were many issues that needed to be handled at the beginning. Most leaders needed to work extra hours without pay. Dedication drove them to work. They took seriously their responsibilities towards the villagers. But this kind of dedication did not last long after the cooperative began succeeding. They thought everyone needed money and every effort should be rewarded with money. There is, it should be noted, a difference between dedication to this collective organization and the low payment and long working hours of private small tourism businesses. Past pro-poor tourism literature has noted that locally owned small tourism businesses normally do not enforce the labor laws, extending the employees' working time and thus lowering salaries (Berno, 2006). The tourism cooperatives are different from privately owned small tourism businesses because of their public nature. As explained in previous section the Yuhu tourism cooperative started with nothing. The leader's dedication and the villagers' voluntary work were transformed into available resources to pave the way for future development. And the benefits of their extra work flowed to the community. They too experienced the benefits when this collective business later began earning profits.

Urban residents’ living standards were becoming the dreams of rural villagers. Two respondents were proud to say that their daughter and daughter-in-law, respectively, had earned drivers’ licenses and presented this as evidence of their richness. More villagers owned a car or had brought a house in the town which was seen as symbolic of wealth.
6. Conclusion and implications

6.1 Conclusion

A tourism cooperative is a voluntary association of persons in the tourism industry established to meet common economic, social, and cultural needs and aspirations through a jointly owned and democratically operated organization. This study explored the role of tourism cooperatives in helping the poor gain resources and power for the purpose of poverty alleviation, which has not yet been previously examined. A multidimensional understanding of poverty was introduced at the very beginning to establish the broad range of discussion. Yuhu Village, which adopted three different management approaches in its tourism business in the past 20 years, namely, individual operation, the establishment of a tourism cooperative, and renting to an external company, was selected as the study case. Qualitative inquiry was employed to capture the significance, process, and context of tourism cooperatives in relation to poverty alleviation. Two field studies, which cover 50 in-depth interviews with villagers and 15 with outsiders, were conducted in 2011 to understand the impact of tourism development on the experiences and living situations of the villagers.

A multidimensional understanding of poverty is necessary in tourism studies to remedy its historical disconnect from poverty literature. As Scheyvens (2011) pointed out in her latest book Tourism and Poverty, no academic publication on pro-poor tourism has included a substantive discussion of the term “poverty.” The local villagers’ perception of poverty supported the basic argument of this thesis, that is, poverty is not only a lack of material resources but also a lack of necessary resources to build human
and social capital; such are the new trends proposed in recent pro-poor tourism studies by Tao and Geoffrey (2009), Mitchell and Ashley (2010), and Scheyvens (2011). The villagers who were interviewed expressed their bitterness at their lack of both material goods and power which resulted in low social status, low educational level, a feeling of being ignored, and limited opportunities.

The establishment of the tourism cooperative resulted in substantial improvements. Based on the interviews, the resources and power changes were two main aspects of these improvements, which were further divided into both individual and collective levels. “Materials, skills, ideas, and social capital” comprise the individual resources. Collective resources benefits were identified as “education, elder welfare, infrastructures, collective funds, and voluntary work”. Individual power consists of the codes of “equality, well-being, outside support, force of public opinions, democratic, and sense of ownership.” “Bargaining power and trustworthiness” were formed by collective power. Overall, the poverty experienced by many villagers was alleviated in terms of both resources and power.

The current study employed a measurement framework of livelihood resources to further improve the validity of the analysis. Livelihood analysis combined with conceptual discussion has been proposed as an appropriate method in pro-poor tourism studies (Jamieson, Goodwin, and Edmunds, 2004; Tao and Wall, 2009). Six types of resources affected local community development, namely, financial, human, natural, cultural, physical, and social capitals. The author applied research findings in three different operations on the livelihood resources and found a significant improvement in
financial, human, physical, and social capitals, which supports the idea that the Yuhu tourism cooperative effectively alleviated the poverty of Yuhu villagers.

Furthermore, this study utilized the resource dependence theory to measure the effectiveness of the organization by observing the dynamics of the resources and power exchanges between the organization and its development environment. The management of the tourism business by the Yuhu tourism cooperative not only addressed environmental constraints but also established rules on the resources and power exchanges between the environment and the village. Based on the resource dependence theory, the management of the Yuhu cooperative is considered a “discretionary management” (Pfeffer and Salancik, 2003), which performs more effectively than individual operation and renting to an external company.

Looking back at the 20 years of tourism development in Yuhu Village, many factors supported the destination life cycle model. The three stages outlined by three different operation forms in Yuhu Village overlapped with the exploration, involvement, and development stages in the life cycle. The Yuhu case shared numerous characteristics with those described in the destination life cycle, which improved the applicability of the Butler destination life cycle in the context of Chinese culture. The Yuhu tourism cooperative emerged when the village gradually entered the involvement stage in the life cycle, which required the involvement of the majority of its local residents. The timing of the cooperative’s establishment was good as it enabled the cooperative to develop. Back then, tourists’ demands slightly outweighed the supply, and competition in the market was not yet strong, which gave the villagers the opportunity to learn and develop the necessary skills involved in catering to tourists.
Based on the abovementioned impact measurements, this study discussed five roles of the tourism cooperative, namely, as collective resources accumulator, benefits distribution coordinator, knowledge capital buffers, democracy and equality propeller, and power aggregate. This study also discussed how the cooperative could positively induce changes.

6.2 Contributions

In view of the above, this study sets out to examine the effectiveness of tourism cooperatives in poverty alleviation from the perspective of power and resources. The study contributes to the body of knowledge from both theoretical and practical standpoints. Theoretically, this study enhances the knowledge of the role of tourism cooperatives in poverty alleviation. Given the fast growth of tourism co-operatives in China, assessing their performance and conceptualizing their operating mechanism are the first step to evaluating their retention values and guiding them to achieve poverty alleviation in local communities. Even the multidimensional understanding of poverty has been proposed for a long time, most studies focus on material/monetary aspect of poverty. This study explored the dynamic effect of resources and power on poverty phenomena via the mechanism of tourism cooperatives. Such an analytical framework on role of community-based organization on poverty alleviation may bring a new understanding to poverty studies.

In terms of its practical contribution, the reflections on tourism cooperatives and pro-poor tourism provide useful information for tourism cooperatives and public agencies in practice. China has emerged as an influential country in international arena, which affects the world’s development and acts as a reference point for other developing
countries. The fast growing tourism cooperatives deserves more sophisticated theories to back up their development. This study provides in-depth descriptions of tourism cooperatives in Mainland China. In particular, the topic of interest will be explored via a case study in Yunnan. The implication on how to improve the pro-poor effect of tourism cooperative may be valuable for policy-makers.

6.3 Implications

6.3.1. Study limitations

No research is perfect. This study is unavoidable to have the following limitations.

Access to baseline data

According to Jamieson, Goodwin, and Edmundes (2004), a general methodology limitation of pro-poor tourism studies is the lack of baseline data, which was unavoidable in this study. Tourism has developed in Yuhu Village for more than 20 years. This study conducted only two field studies in August and December 2011, seven years after the establishment of the Yuhu tourism cooperative. No exact baseline data about the living conditions of the villagers prior to the establishment of the cooperative were available. Consequently, this study only asked the villagers to recall their memories about that period and referred to other studies that were conducted in Yuhu Village before 2004. The descriptions of the lives of the villagers are credible for two reasons. First, the establishment of the Yuhu tourism cooperative was a significant event in their lives, and majority of the villagers experienced considerable changes. Second, the villagers’ memories are consistent with the descriptions in previous studies by Horst, Fredrich, and Su (2007) and Sicoff, Alos, and Shrestha (2003).
Qualitative focus rather than quantitative focus

As expected in every study, this study might be limited due to its qualitative method and case study approach. Lack of external generalizability in the sense of being representative of a larger population is the general limit of qualitative studies (Maxwell, 1996). Because of dearth research on tourism cooperative, this study only employed qualitative method to develop preliminary understanding of the topic and to conceptualize the role of tourism cooperatives in poverty alleviation. Findings from this qualitative study contribute to further development of relevant measurement scales in future quantitative studies. Careful research design, early data reflection, triangulation, and member checking have been adopted to minimize the limitation of qualitative method.

One study case

The study site might impose limitation as well even it has been carefully selected to meet the study purposes. As mentioned in the research design section that two relevant considerations have been applied in selecting the critical case: 1) a case where poverty is an urgent issue for the local community development and 2) tourism cooperative should have been operated for at least 5 years. Most of poverty areas in China are mountain regions which are resided by various ethnic groups, Tibetan, Zhuang, Yi, Miao, Bai, and so on. Poverty studies in southwest part of China are inevitable to select a particular ethnic group. Cultural differences across various ethnic groups may affect the final conclusions.
6.3.2 Implications

**Research direction – tourism and commodification**

At the end of the discussion, we mentioned that tourism, as an influential activity, greatly changed the lives of the villagers and increased the rate of commodification. Everything became connected with commodities as tourism developed. Voluntary labor and dedication were two characteristics of the villagers’ lifestyle and attitude, and these disappeared during the commodification process. Based on poverty studies, commodification would increase the vulnerability of the poor. This study simply discussed the noticeable commodification changes in the field but did not investigate this topic further. Future studies could focus specifically on this topic.

**Research direction – rural stratification under tourism development**

Villagers’ attitudes toward tourism development and ways of operation are highly related with their past and present benefits from tourism. The differentiations among villagers are likely to become a serious problem as economic development continues. Different groups of villagers tended to advocate different development approaches that might bring more benefits to the group. One respondent indicated that more serious problems could arise because of increased income, which could create a wealth gap if the living conditions of some villagers did not improve. Therefore, stratification within the community should be explored. Moreover, the means through which several groups could alleviate their poverty via tourism should be observed.
**Methodology – combination of both qualitative and quantitative measures**

Given the exploratory nature of this study, we employed only qualitative inquiry. The analysis framework emerged from the in-depth interviews which could be applied to further quantitative studies. In addition, the present quantitative measures could be applied in the study if the sample size is sufficiently large.

**Methodology – longitude studies**

Poverty is a chronic problem. Longitudinal studies could provide a clearer understanding of this concept. This study selected a case in which a tourism cooperative has been in place for more than five years, which allows one to observe the longitudinal changes. However, most data relied on villager accounts. To ensure accuracy, further studies should be conducted throughout a longer period, and data should be gathered directly during the time of study.

**Methodology – multiple study cases**

This study only analyzed one case in three different ways of operation. The effectiveness of the tourism cooperative was determined by comparing its management with other methods of operation. We exclusively performed vertical analysis. To conduct a horizontal analysis, further study should include more tourism cooperatives.
Appendix I

Interview Guide

Section 1: Warm up

1. Introduction
   Self-introduction of the interviewer
   Introduce the study purpose and background

2. Basic information
   Interviewee’s sociological information
   Experience in tourism: How long have you been working in tourism industry?
   What did you do?

Section 2: Perceptions on poverty

3. Income resources: what did you make living on? Farming? Herding? Tourism servicing? Or others? Which one accounts most? Are there any changes among those living ways? Do you think your living was a hardship before? Why?
   (Probes: lack of material resources, lack of human and social resource, and lack of power and participation.)

4. Changes of living condition: can you describe the changes of your living condition occurred during those hard years? Such as furniture, electric apparatus, daily consumptions, access to infrastructures, education, and medical care
5. Important events: what events happened and leads to changes in villages? Does tourism have an impact on your living condition?

6. Tourism impacts: What did you do in tourism when tourists came to your village at the very beginning? Do you welcome tourists in your village? Do you think tourism is good or bad for your villages’ environment, society, and culture?

7. Satisfaction on present living: Are you satisfied with your present living or tourism business? Is it wise or right decision on starting tourism business? What do you think you can do to improve your tourism business?

Section 3: Resources

8. Available resources for individual before: what resources did you have when you started your tourism business (before participate in tourism cooperative) (Probes: financial, physical, raw materials, capital, personnel, information, technology and technological innovations, social support, and services and production operations) which one is the most important for your tourism business?

9. Available resources for tourism cooperative at present: Have you gained more resources for doing tourism business now? (Probes: resources changes in terms of amount, availability, quality and so on);

10. Resource flows: where do the resources come from? And what did you share, exchange, and aggregated among members? What resources did you obtain only after you join tourism cooperative?
11. Actions taken to access resources: what did cooperative do to help you to get more and important resources? Can you give examples and describe them in details?

12. Satisfaction on the performance of tourism cooperatives in terms of resources: are you satisfied with tourism cooperative? What aspects can be improved?

Section 4: Constraints and/or opportunities

13. Previous restrictions for individual tourism business development: what factors had caused your poverty situation? What barriers have you encountered in your tourism business development when you did the business alone? (Probes: physical realities, social influence, information and cognitive capability, as well as personal preferences). Have those barriers been removed after you joined tourism cooperative?

14. Actions have been taken to adapt to environment: what actions have tourism cooperative taken to cope with the constraints you mentioned just now? (Probe details by the manage board member) Are the actions useful?

15. Present restrictions and opportunities of tourism cooperative development: Are there any barriers for your tourism cooperative development? What constraints have you encountered? Are there any opportunities for your cooperative? (Probes: support from other stakeholders, such as government and travel agents)

Section 5: Power construction
16. Inter-organizations:

After taking part in cooperative, have you obtain more on assets, skill, and knowledge? (Question for the manage board member: what have you done to help participants to obtain more on assets, skill, and knowledge?) What is the government’s attitude towards your cooperative? Is it different from before? (Probe: any further support, aids, guide)

What is the travel agent’s attitude towards your cooperative? Are there any differences from the past? How do you communicate with them both before and present? How do you negotiate with them? (Probe: which party often proposes on price changing? Is it easier to negotiate with them now?)

17. Intra-organization: do you often communicate with other villagers? Do you trust others? Do you exchange information with each other?

18. Participation:

To cooperative participants: how often do you participate in the discussions of your cooperative’ issues? (Probes: contents and frequency of members meeting, voting, decision making process, benefit distribution among members)

Have any of your suggestions been taken by the cooperative? Have the cooperative give any development suggestion to government or travel agency? Did they take it?

To cooperative manage board: do you ask suggestions from other participants? How do you do it? How do you organize other participants to discuss the management issues?
Have your cooperative give any development suggestion to the government or travel agency?

Section 6: Role of tourism cooperatives in poverty alleviation

19. Establishing purpose and process: why did villagers want to set up cooperative?
   Who proposed of doing so? What is others opinion on it? How did you settle on the regulars? Had you elected the member of management board and monitoring board? Why did you vote for them? (Question for the manage board member: how did you being selected? What is the reason other participant elect you? )
   (Probes: opinions on the management)

20. Manager: who are your management board leader and monitoring board leader?
   Why did you vote for those two leaders? Do you trust them? (Question for the manage board member: do you think other participants trust you? Why? )
   ( Probes: their background, influence, importance for the organization’s development)

21. Management role: Are you satisfied with cooperative’s management overall?
   Was the cooperative effective in coping with the development constrains?
   Symbolic (the management is unrelated/ little effect on the constraints from outside), responsive (the management is directly related to the constraints), or discretionary (the management is suitable for collective develop and it helps to change the development environment?)
Section 7: Assessment from outsiders (only for outsider)

22. Opinions on how Yuhu village’s tourism development: what are the constraints and opportunities for Yuhu tourism development? Is the situation become better now for them? (Probes: compare before and present) Are peoples in Yuhu village poor or rich? Did their poverty have any effect on their development?

23. Comments on Yuhu tourism cooperative: Do you know tourism cooperative in Yuhu? What do you know about it? Describe it. How’s that, good or bad? Have your department supported them?

24. The management role: what’s your opinion on the management of Yuhu tourism cooperative? Is it useful for coping with the development constrains of the village? (Probes: symbolic, responsive, or discretionary?)
Appendix II

访谈提纲（社员）

第 1 节：预热

1. 背景介绍
   自我介绍
   研究目的及背景

2. 基本信息
   访谈对象的社会学人口统计特征
   参与旅游的经历：从事旅游业时间？主要从业项目？

第 2 节：对贫困的感知

3. 收入：您以什么为生？农业？牧业？旅游业？或其他？哪一项为主要收入来源？和从前有什么变化吗？您认为您过去的生活怎么样？艰难吗？为什么？（探索：缺乏物质、人力资源，社会资本，力量或参与）

4. 生活条件的改变：请您描述近几年您生活条件的变化？比如家具，家电，日常用品，以及对基础设施、医疗卫生、教育的可及性

5. 重要事件：这些年村里都发生过什么重大事件及改变？旅游对您的生活条件有影响吗？
6. 旅游影响：最初村子里有游客时，您是如何接待他们并提供哪些服务？您欢迎游客来你们村吗？您认为发展旅游对你们村的环境、社会和文化是好还是不好？

7. 对现阶段生活的满足感：您对现在的生活/旅游生意满意吗？当初从事旅游业的决定是否明智？现在的旅游经营还有什么改进的地方吗？

第3节：资源

8. 此前个体经营可用资源：您此前个体旅游经营可获得的资源有哪些？（加入合作社之前）（探索：资金，原材料，个人关系，信息，技术与技术创新，科技，社会支持以及服务经营）哪项资源对您的旅游经营最重要？

9. 加入合作社后可获得资源：加入合作社后，您个人或者合作社可获得的资源有哪些？（探索：资源的量，可及性，质量等方面的改变）

10. 资源流：这些资源从何而来？哪些是加入合作社后才有的？成员之间分享，交换，和累积的资源？

11. 获得更多资源的措施：合作社采取了什么措施帮助社员获得更多重要的发展资源？比如？请详细描述。

12. 对合作社获取资源所采取措施的满意度：您是否满意合作社目前帮助您获得的更多资源？还有什么可以改进之处？

第4节：发展机遇与挑战
13. 此前个体经营的受限因素：您认为是什么因素导致了您之前生活的贫困？
有哪些因素曾阻碍了您个体从事旅游业？（探索：地理区位，社会影响力，信息，认知能力，和个人偏好）这些导致贫困或者阻碍个体经营旅游业的障碍因素，在您加入合作社后是否有所改善？

14. 目前旅游合作社发展中的限制与机遇：现在合作社的发展面临哪些困难？哪些限制？或机遇？（探索：从政府，旅行社或其他有关部门获得的支持与协助）

15. 适应环境的调整措施：合作社都采取了什么措施以适应您刚才提到的障碍或制约因素？这些措施有效吗？

第 5 节：力量构建

16. 合作社外部：加入合作后，您是否获得了更多的资产，技能及知识？政府或旅行社对于合作社的态度？和过去个人经营时有区别么？（探索：进一步的支持，援助及指引）合作社是怎么与旅行社沟通交流？如何协商？（探索：哪一方决定价格或作出改动？是否更容易与旅行社协商？）

17. 合作社内部：您经常和其他社员沟通交流吗？您信任其他社员吗？成员之间互通信息吗？
18. 参与：您是否经常参与到合作社事务的商定？频次？您是否对合作社的发展提出过建议？是否采纳及原因。（探索：社员大会的内容及频次，选举，民主议事，利益分配）

合作社是否曾对政府或旅行社提供过发展建议？被他们采纳了吗？

第6节：旅游合作社在扶贫方面的角色

19. 成立合作社的目的及过程：村里当初如何想到成立合作社？谁提议？其他村民的反应？成立时合作社章程是如何制定的？您参与管理委员会和监理委员会的选举了吗？您为什么选这些成员？（探索：对管理方的态度及管理程序是否民主）

20. 领导：谁是合作社的理事长及监事长？选他们的原因？信任他们吗？（探索：理事长及监事长的背景，影响力和对合作社发展的重要性）

21. 管理的角色：您对合作社目前整体的管理是否满意？合作社是否有效的应对了环境中的发展障碍？象征性管理（措施不能或者部分应对外届压力及障碍），灵敏管理（措施有效应对外届压力及障碍），游刃有余的管理（措施不仅得力应对外届压力而且令发展环境有所改善）
访谈提纲（管理方）

第1节：预热

1. 背景介绍
   自我介绍
   研究目的及背景

2. 基本信息
   访谈对象的社会学人口统计特征，
   参与旅游的经历：从事旅游业时间？主要从业项目？
   在合作社中所任职位，职责与权限

第2节：对贫困的感知

3. 收入：村民以什么为生？农业？牧业？旅游业？或其他？哪一项为主要收入来源？和从前有什么变化吗？村里过去的生活怎么样？艰难么？为什么？（探索：缺乏物质、人力资源，社会资本，力量或参与）

4. 生活条件的改变：请您描述近几年村里生活条件的变化？比如家具，家电，日常用品，以及对基础设施、医疗卫生、教育的可及性

5. 重要事件：这些年村里都发生过什么重大事件及改变？旅游对村民的生活条件有影响吗？
6. 旅游影响：最初村里有游客时，村民们是如何接待他们并提供哪些服务？村民们欢迎游客来你们村吗？您认为发展旅游对村里的环境、社会和文化是好还是不好？

7. 对现阶段生活的满足感：您对现在的生活/旅游生意满意吗？当初从事旅游业的决定是否明智？现在的旅游经营还有什么改进的地方吗？

第3节：资源

8. 此前个体经营可用资源：您此前个体旅游经营可获得的资源有哪些？（加入合作社之前）（探索：资金，原材料，个人关系，信息，技术与技术创新，科技，社会支持以及服务经营）哪项资源对社员的旅游经营最重要？

9. 加入合作社后可获得资源：加入合作社后，合作社可获得的资源有哪些？
   （探索：资源的量，可及性，质量等等方面的改变）

10. 资源流：这些资源从何而来？哪些是加入合作社后才有的？成员之间分享，交换，和累积的资源？

11. 获得更多资源的措施：合作社采取了什么措施帮助社员获得更多重要的发展资源？比如？请详细描述。

12. 对合作社获取资源所采取措施的满意度：您认为村民是否满意合作社目前帮助他们所获得的更多资源？还有什么可以改进之处？

第4节：发展机遇与挑战
13. 此前个体经营的受限因素：您认为是什么因素导致了村里之前生活的贫困？有哪些因素曾阻碍了村民个体从事旅游业？（探索：地理区位，社会影响力，信息，认知能力，和个性偏好的）导致贫困或者阻碍个体经营旅游业的障碍因素，在村民加入合作社后是否有所改善？

14. 目前旅游合作社发展中所面临的限制与机遇：现在合作社的发展面临哪些困难？哪些限制？哪些机遇？（探索：从政府、旅行社或其他有关部门获得的支持与协助）

15. 适应环境的调整措施：合作社都采取了什么措施以适应您刚才提到的障碍或制约因素？这些措施有效吗？

第 5 节：力量构建

16. 合作社外部：

合作社都采取了什么方式帮助社员获得更多的资产，技能或知识？

政府或旅行社对于合作社的态度？和过去个人经营时有区别么？（探索：进一步的支持，援助及指引）

合作社是怎么与旅行社沟通交流？如何协商？（探索：哪一方决定价格或作出改动？是否更容易与旅行社协商？）

17. 合作社内部：社员之间沟通交流吗？社员是否彼此信任？成员之间互通信息吗？
18. 参与：管委会或者监事会征集会员意见么？如何征集？您如何看待这些意见？如何组织普通社员参与合作社事务的管理？

合作社是否曾对政府或旅行社提供过发展建议？被他们采纳了吗？

第6节：旅游合作社在扶贫方面的角色

19. 成立合作社的目的及过程：村里当初如何想到成立合作社？谁提议？其他村民的反应？成立时合作社章程是如何制定的？您当时是如何被选的？您认为自己当选的原因是？（探索：对管理方的态度及管理程序是否民主）

20. 领导：您认为其他社员为什么会选您？社员信任您吗？为什么？）（探索：理事长及监事长的背景、影响力和对合作社发展的重要性）

21. 管理的角色：您认为村民对合作社目前整体的管理是否满意？合作社是否有效的应对了环境中的发展障碍？象征性管理（措施不能或者部分应对外届压力及障碍）、灵敏管理（措施有效应对外届压力及障碍）、游刃有余的管理（措施不仅得力应对外届压力而且令发展环境有所改善）
访谈提纲（仅针对合作社以外的个人及组织）

1. 对玉湖村旅游发展的意见：玉湖村发展旅游都有什么障碍及机遇？现在情况是否改善？您认为玉湖村的村民是贫穷还是富有？为什么？如果穷，现在是否改善？他们的贫困是否限制其发展？

2. 对玉湖旅游合作社的评价：您知道玉湖旅游合作社吗？您是从什么渠道知道的？您知道的情况是？请描述。您觉得玉湖旅游合作社好还是不好？您所在的部门及单位是否支持，援助或引导其发展？

3. 对玉湖旅游合作社管理的评价：您怎样评价玉湖旅游合作社管理？这样的管理是否有效？象征性管理、灵敏管理、游刃有余的管理
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