

POVERTY AND PROSPERITY

Tourism in Rural China

Xinru Liu and Honggen Xiao

BRIDGING TOURISM THEORY
AND PRACTICE

VOLUME 13

POVERTY AND PROSPERITY

BRIDGING TOURISM THEORY AND PRACTICE

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BRIDGING TOURISM THEORY AND PRACTICE
Volume 13

POVERTY AND PROSPERITY: TOURISM IN RURAL CHINA

BY

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INVESTOR IN PEOPLE

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PREFACE

This book tells a story, along with reflections, of poverty alleviation through tourism in a rural village in South China. Situated within the discourse and a context of knowledge theoretically informed by poverty and rural community development, the 40-year evolution of tourism in Shuiji Village of Taining County in Northwest Fujian Province serves as an illustrative case. It relates to, often lends support of, and occasionally interrogates contemporary discussions on poverty alleviations through tourism in rural community development in terms of production and subsistence, economic and social structure, ecological environment, and lifestyles and livelihood.

As natives of Fujian Province, the village for this ethnographic field research is felt, in a way, as the “home” to both authors due to geographical and cultural proximities, interactions and iterations of insider–outsider views, and prolonged engagement in the study site for this undertaking in particular. The case study found that, over the years, elite groups such as village leaders and administrators, tourism business pioneers and owners, active and cooperative villagers, and tourism entrepreneurs have been the dominant force in fostering rural community development. In the meantime, they are also seen as major hindrances to initiatives or decisions in implementing rural tourism. In this process, government interventions often act as a stabilizer of rural community development in balancing tangible and intangible resources, easing structural differentiations, and overseeing the allocation of benefits from tourism for the disadvantaged/underprivileged groups.

As reflected in the discussion chapters, tourism development has brought positive impacts on villagers’ material life, their lifestyles and capabilities for better living, as well as their attachment to and emotional connections with their homeplace. The study also reveals generational differences in their perceptions of lifestyles or satisfaction with their life in the rural village. Moreover, the differences between the advantaged and the disadvantaged groups have reflected varying levels of alleviation in the rural community, where tourism-induced development may have unknowingly accelerated a stratification of social class in the village. As a synthesis of this qualitative case study, a collaborative development model was generated to account for villagers’ motivations for self-development, the establishment of a rural community system in the village, the intervention from the government for market regulations and conflict resolutions, and stakeholder collaborations aiming at sustainable livelihood through tourism.

Notwithstanding, in the wisdom of Taoism, “having and non-having [could] produce each other” (有无相生). While tourism development over the years has

helped in the elimination of absolute poverty in the study village, the return of poverty or relative poverty could continue to be an issue for future stakeholder collaborations and rural community governance. Young people tend to leave their home village as a result of a growing disparity of power and a lack of opportunity for personal or career development in their homeplace. In a comparative lens and in search for sustainable livelihood in the rural community, while the myth of poverty alleviation through tourism is often eulogized or narrated in different localities, its inability or lack of potential in preventing a rural village from getting “empty” with only aged villagers staying behind will be issues for future inquiries in rural community development studies.

Finally, in alignment with the United Nations Sustainable Development Goals of “end[ing] poverty in all its forms everywhere” by 2030, this study offers a tourism context from a developing economy for readers to compare and contrast with instances of poverty alleviation in rural communities from other jurisdictions. Thus, questions such as to what extent this book could engage dialogues from outside tourism or from beyond the case study society will be happily left to the readers. Moreover, while the peculiarities or particularities of an ethnographic undertaking could often lie beyond the power of language to describe or beyond the intellectual capacity of the researchers to synthesize, the delight for the authors, along with vexations and challenges, is to make the story open to interpretation and criticism. Nonetheless, any errors are those of the authors.

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Our appreciation also goes to the government officials at various levels, including Su Ma (Secretary of the Party Committee of Meikou Township People's Government), Maoqiu Jiang (Director of Taining County Tourism Bureau), Xiuqi Huang (Director of Agricultural and Rural Affairs Bureau), Liang (President of Taining Tourism Association), and Jianfeng Xiao (stationed village official), among others. We are grateful for their great support of this research. When walking through the different stages of tourism development in their village, we could clearly feel that they treat Dajin Lake as their own child. This has deeply touched us. Their love of the place and its people are sincere and profound.

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Chapter 1

POVERTY

Noble has humble as its root; high has low as its foundation.

Lao-Tzu, *Tao Te Ching* 39

贵以贱为本,高以下为基。

老子,《道德经》第三十九章

INTRODUCTION

In Taoist relativism, things with opposite or reverse attributes can often be leveled into “one.” Hence, *yin* and *yang* depends on each other, less is more, beginning is followed by ending, plenty makes poverty, and long could be tested by short (Addiss & Lombardo, 1993). In much the same light, ancient Greek philosopher, Aristotle, is also accredited as saying that poverty is the parent of revolution, alluding to the devastating effects of poverty on individuals, communities, and societies suffering from it. As a political and moral issue of contemporary society, poverty has remained one of the world’s biggest challenges today (Dixon & Macarov, 1998). Hence lifting people out of poverty and reducing inequality are two important goals for most countries, as it has significant implications for peace and security (Holden, 2013). For the last three decades, the hope to alleviate poverty has been demonstrated through different initiatives at the local, regional, or global levels (Holden, 2013).

The United Nations World Summit on Social Development in Copenhagen in 1995 defined poverty as “a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to service” (UN, 1995, online source, no page). In 2000, the United Nations declared its first set of Millennium Development Goals with an aim to halve extreme poverty by the end of 2015. At that time, extreme poverty was defined by figures and statistics of the 1990s as people whose income was less than US\$1 a day. Although these Millennium Development Goals were largely met

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ahead of schedule, extreme poverty has remained high and poverty reduction is still at the top of the global agenda (Holden, 2013).

Based on an updated poverty level and the purchasing power parity price in 2011, statistics from the World Bank (2016) indicated that around 736 million people accounting for more than 11% of the world's population have lived on less than \$1.9 a day in 2015. If the poverty line were adjusted to \$3.2 per day, the poverty population would be increased to 1.9 billion, accounting for more than 26.2% of the world's population. The World Bank estimated that nearly 46% of the world's population lives on less than \$5.5 per day. Thus in 2017, the United Nations has set "End poverty in all its forms everywhere by 2030," as the first sustainable development goal.

Poverty is a common but complicated economic phenomenon. It is often difficult to define it because it is comprehensive, historical, geographical, and dynamic in nature and involves the development of human society (Alcock, 2006). Nonetheless, in the Cambridge Dictionary (2019), the term is defined as "the condition of being extremely poor" and is often described as a state in which one lacks a usual or socially acceptable amount of money or material possessions to meet one's minimum needs, including food, housing, clothing, and other necessities.

To date, research on poverty has been linked to the wider society and interpreted from economic, sociocultural, and political perspectives. The evaluation criteria for poverty have also been extended from objective aspects to subjective feelings (Holden, 2013). This chapter aims to present a conceptual overview of poverty and poverty alleviation in the economic and sociocultural development of a society. Several concepts and/or approaches in the policy and practices of poverty alleviation are reviewed. The chapter concludes and extends the discussion into the context of tourism as a mechanism or strategy for alleviating poverty in rural community development.

CONCEPTS AND APPROACHES

Although different approaches have been taken in different countries to eliminate or alleviate poverty, understanding or identifying what constitutes the complex phenomena of poverty remains an essential and crucial task. The first scientific definition of poverty was proposed by a sociological researcher, Rowntree, in 1899. He conducted a study of over two-thirds of the population of York in London and defined poverty from the economic and physical perspectives as "the people falling below a calculated minimum weekly sum of money that is necessary to secure a family's life." This minimum income level was used to estimate the poor population at that time (Rowntree, 1902). Rowntree's definition, known as absolute poverty, first quantified the concept of poverty and established the foundation for measuring poverty (Yang, Zhou, & Li, 2012).

Absolute and Relative Poverty

Absolute poverty, which refers to an individual or family that cannot rely on labor income and other legal income to maintain its basic survival needs, was

then widely used by different national institutions or researchers to define and measure poverty nationally or regionally, such as China and the United States. This minimal income level was estimated based on food requirements, which was calculated according to the amount of nutrients needed to maintain basic physiological functions, and nonfood requirements such as housing, clothing, and other necessities (Ravallion, 1994). As the society progressed, people started to realize that poverty is not only a condition in which people fail to fulfill their most basic physical requirements for nutrition and shelter but also a condition that involves a lack of opportunities for personal development and social identity as well as marginalization (Alcock, 2006). Thus, poverty is a question of not only a lack of money but also a lack of participation in social institutions such as education and health and the opportunity to live one's life (Croes, 2016).

During the 1960s, the definition of poverty started to shift from absolutist to relative models. The application of relative deprivation to poverty analysis has helped establish the theoretical basis for understanding relative poverty (Runciman & Runciman, 1966). Then, a relative poverty measure was introduced by Fuchs (1967) to estimate the impoverished population in the United States and to determine the poverty line as 50% of the median national income distribution level. This concept of relative poverty and the methods to determine its base line were subsequently further developed by scholars such as Townsend (1979) to encompass not only economic shortage but also the inability of individuals, families, and groups surviving on low incomes to actively participate in society. For the poor population, additional income does not seem to improve their living conditions or change their lifestyles, while extra income may lead to a good life for nonpoor populations.

Capability Poverty Approach

Different from the basic income and needs approach, poverty is thought of as not only a result of a lack of income but also a human condition wherein a person lacks in many dimensions of human life or a deprivation of opportunities (Sen, 1985). More specifically, it is a lack of ability to influence decisions that affect their daily lives, a vulnerability or lack of resilience to shocks, a lack of access to services and assets, and a lack of strength or disruption of their social networks. Two perspectives on poverty were consequently proposed: capability and functioning (Sen, 1985). Capability refers to the opportunities that one receives like education, financial resources, or health and determines the range of functionality that one can achieve such as life expectancy, morbidity, literacy, and nutritional levels. In this paradigm, unequal access and distribution of assets determine one's ability to command resources that affect one's ability to choose and the range of choice available, thus affecting the achievements (functioning) of their lives. [Fig. 1](#) depicts the relationships between the elements making up the capability framework.

The capability poverty approach was adopted by the United Nations and other international organizations. The World Bank defined poverty as a lack of ability or capability to obtain minimum living standards. Poverty, from the

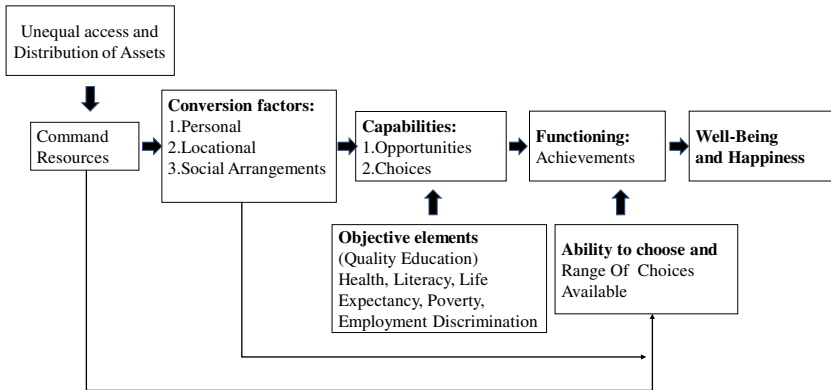


Fig. 1. Capability Poverty Approach Framework. *Source:* Croes (2016).

perspective of broad welfare, refers to the state of deprivation of welfare – that is, not only refers to the lack of income and material but also includes education, health, and opportunities for social participation (World Bank, 1990, 2000). The United Nations Development Programme considers poverty to be a lack of opportunity and choice in areas such as health, education, employment, and production so that it can then formulate more rational poverty alleviation strategies and policies (UN, 2006). The concept of poverty was soon expanded to encompass generalized welfare poverty, human poverty indexes, and multidimensional poverty indexes to improve people’s overall development, quality of life, and basic rights (Sen, 1985, 1987). In 2006, the Human Poverty Index (HPI), an indication of the poverty of a community in a country, was developed by the United Nations in its Human Development Report, which proposed two indexes for evaluating poverty in developing and developed countries: HPI-1 contains three indicators including health, education, and command over resources, and HPI-2 consists of four indicators including health, education, command over resources, and participation (UN, 2006).

Later, in 2010, the Global Multidimensional Poverty Index was developed by the Oxford Poverty and Human Development Initiative and the United Nations Development Programme using health, education, and standard of living indicators to determine the degree of poverty experienced by a population. The Global Multidimensional Poverty Index typically uses household as their unit of analysis, which is assigned a “deprivation score” determined by several of the indicators they are deprived of, according to the weights assigned to those indicators. Each dimension (health, education, standard of living, etc.) is typically given an equal weighting, and each indicator within the dimension is also typically weighted equally. Table 1 shows the 10 indicators of the Global Multidimensional Poverty Index. However, like any other global poverty indicators, this Multidimensional Poverty Index is imperfect and incomplete. It does not include unemployment, violence, quality of education, health function, and other factors

Table 1. Multidimensional Poverty Index.

Dimension	Indicators	Deprivation Cutoffs	Weight
Health	Child mortality	Deprived if any child has died in the family	1/6
	Nutrition	Deprived if any adult or child, for whom there is nutritional information, is underweight	1/6
Education	Years of schooling	Deprived if no household member has completed six years of schooling	1/6
	School attendance	Deprived if any school-aged child is not attending school up to grade 8	1/6
Living standards	Cooking fuel	Deprived if the household cooks with dung, wood, or charcoal	1/18
	Sanitation	Deprived if the household's sanitation facilities are not improved or improved but shared with others	1/18
	Drinking water	Deprived if the household does not have access to safe drinking water or has access to safe drinking water that is more than a 30-min roundtrip walk from home	1/18
	Electricity	Deprived if the household has no electricity	1/18
	Housing	Deprived if the household has a dirt floor	1/18
	Assets	Deprived if the household does not own more than one of these assets: radio, TV, telephone, computer, animal cart, bicycle, motorbike, or refrigerator and does not own a car or truck	1/18

Source: UN (2006).

influencing poverty; it only indicates extreme poverty and does not reflect moderate poverty. It fails to measure some overlapping deprivations and continues to combat and exploit the lives of the poor (Francisco & Maria, 2013; Prideaux, 2004).

Subjective Well-Being Approach

Methodologically, quantitative and qualitative approaches are adopted for measuring, analyzing, and interpreting poverty. Quantitative estimation utilizes the objective strategies, whereas qualitative assessment relies on the subjective aspects. The capability poverty and relative poverty approaches are a mixture of both approaches or schools, while absolute poverty is mainly considered in the former approach (Yang et al., 2012). Although questions about the emotions and feelings of the poor regarding their situation are not answered by multidimensional poverty indicators, they have been broadly utilized to assess poverty (Croes, 2016). For instance, somebody could not consider himself as poor despite being classified such by objective indicators (Rojas, 2004, 2008; Schneider, Buehn, & Montenegro, 2010). This has caused many researchers to shift their approaches from quantitative to qualitative poverty measures, believing that poverty perception varies depending on the group context or social environment (Zikmund & Scitovsky, 1976). The subjective approach conceives of poverty as the individual feeling on a status under their desired minimum life satisfaction level (Croes, 2016).

Subjective poverty was developed in correlation to research on subjective well-being, such as happiness (Yue, Li, Wang, & Guan, 2007). This is an emerging research subject within the economics and sociology fields, which can be regarded as study of the degree of happiness or satisfaction with life (Knight, Song, & Gunatilaka, 2009). Generally, happiness represents the results of a self-assessment of life quality and living conditions, which related to different factors, such as including income, health, employment status, age, gender, social network, social capital, individual adaption, and democratic institutions (Stutzer, 2002). Having an increasing income was regarded as the main way to achieve and determine positive feelings about life for a long time.

Objective approaches cannot measure aspects of noneconomic and economic well-being, while the subjective approach's main assumption is that everyone is the best source of their own life satisfaction. This way, the preferences depicted are those expressed by themselves rather than inferences made from others. Some of the survey aspects on which the poor were questioned about in the study instrument were employment, education, safety from crime, health, mobility, social trust, institutional quality, reference group consumption, and income. Some researchers found that under certain conditions, happiness might decrease or at least not increase due to income increases (Graham & Pettinato, 2001). For instance, in terms of social consumption and relative income matters in Latin American countries, Mexico possessed a great number of "happy poor" (Rojas, 2008), while in South Africa, well-being and income have had a weak relationship with poverty (Kingdon & Knight, 2006).

In rural China, the main cause for life dissatisfaction is the relative income of each period for individuals and within the village. Their current income has little effect on their happiness, while the feature that most affects it is their future expected income and past income (Knight et al., 2009). For instance, a survey conducted in China found that happiness is related to asset poverty, precautionary saving, the household living standard, perceived fairness of the income distribution, and predicted future income (Huang, 2013). There are as many notions of poverty and expressions of happiness as there are people in the world. Conceptualization of poverty was questioned in a study conducted by the World Bank in 1999. Subjective well-being approach does not consider the expressed feelings as a condition by themselves, but as the perceived appraisal of the objective factors or situations. The outcomes reveal that poverty is related to the peace of mind as well as to wealth, which comprises many life aspects (Croes, 2016).

Poverty Alleviation

Fighting against poverty has been an ever-present issue in human history. The United Nations has addressed this issue as part of its plans since its foundation. It has been stated that the roots of the current strategies to fight against poverty alongside with its models, theoretical frameworks, and definitions come from the politic area and the traditional research models, which have been reassured by economic, political, and social interests of certain institutions (Bradshaw, 2007).

Nonetheless, many other agencies such as scholar groups, financial institutions, private groups, nongovernment organizations, and governments have also been attracted to the idea of terminating poverty through humanitarian and economic practices that should be used to reduce and alleviate poverty (Toye, 2007). Some of the obstacles in the way to reduce poverty along the last seven decades have been the lack of political will to address the issue, the social invisibility of the poor, their remoteness, and the narrow-minded way of the economic concepts of poverty (Toye, 2007). In the following sections, the main theories of poverty alleviation are reviewed with respect to participatory governance, government interventional, and economic perspectives.

The Economic Perspective. Some theories and models for the alleviation of poverty were researched by economics scholars and/or economists from wealthy countries after World War II. For instance, Nurkse's book *The Problems of Capital Formation in Underdeveloped Countries*, with which he stands as the founding father of the Classical Development Economic Science, states that there is a vicious circle of poverty that is ever-present in poor countries, which makes them to stay poor, and that they can escape from this circle if they accumulate capital. This theory implies the assumption that, due to being poor, people from these nations do not save, or save very little, thus investing very little, which in turn causes productivity to be at a low level, which avoids escape from poverty. The vicious circle is then reassured by other poverty features that appear then, as the lack of technological development due to a poor health and education level, which is caused by low income. These vicious circles can transform into a poverty trap for these strongly affected countries (Kattel, Kregel, & Reinert, 2009) (Fig. 2).

Nelson (1956), an American economist, states that people from developing countries have an income level that barely allows them to live. He defines such a state that can be observed in developing countries, in his own terms, as "the low-level equilibrium trap" (p. 894). He also states that if the average income is even lower than the value of this state, the income level growth will be outperformed by the population growth and the income average will fall again to the equilibrium level. The income will grow only if it exceeds the population growth,

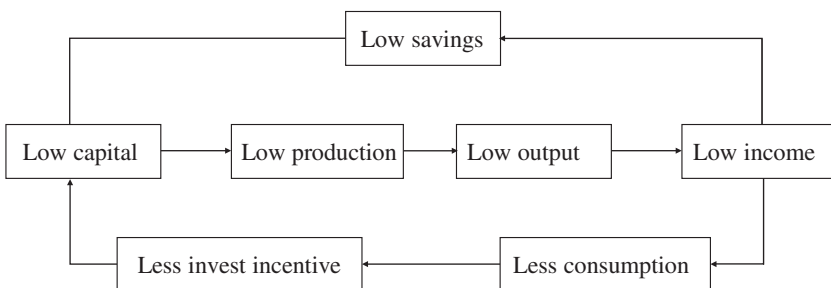


Fig. 2. Vicious Circles of Poverty. Source: Adapted from Kattel et al. (2009).

making the average income to be above the value of the equilibrium state. But if the population growth matches the average income level again, the equilibrium state will prevail once again. This argument explains how excessive population growth and/or capital insufficiency cause economic growth to be impossible, and why capital accumulations seem imperative to escape from this poverty trap of vicious circles (Nelson, 1956).

Other theories include the dual-sector model proposed by Lewis in 1954. According to this model, economic development accelerates and productivity increases as a result of increasing labor salaries and reforming the structure of the industry (Hall, 2012). The trickle-down theory, proposed by Hirschman and Myrdal in 1957, stated that an entire region will reach a balanced development by creating imbalanced plans of growth for certain regions, in which development will spread and reach the surroundings (Krugman, 1997). This is also an assumption of the dual-sector model, and both believe that these spreading development models can enhance the lives of the people living in these areas. However, the accumulation of capital has been found in many studies as an inefficient way to fight poverty. The social network is too complex to rely only on market regulations and policies to reduce poverty. This will render the undeveloped regions unbenefitted by economic progress. This has caused the government interventional multiapproach to be more attractive to the poverty reduction research theorists.

The Government Intervention Perspective. Poverty is not only related to the economic area, as it was being regarded, but it is a multidimensional issue also related to choice, equity, education, healthcare, housing, and other social features (Singh & Chudasama, 2020). Poverty reduction benefits from economic development, but the reaching for these goals is often not attained by the less-developed areas due to the implied social structure that prohibits it. To obtain the needed balance, developing countries should strive to enhance culture, politics, and other social features and not only economic development.

The theory known as the “circle of accumulation causality,” proposed by Myrdal in 1957 and further developed by Thirlwall, Dixon, and Kaldor, states that social, economic, and political elements are altogether the causes of low income. Specifically, some of these elements can be translated to the imbalanced social income distribution process, inadequate capital obtainment method, and the lack of capital. Therefore, they plea for the need of reforming education, landing, and power relation systems to reach equality in the income distribution and incentive investment in a continuous way and elevate the low-income people’s consumption power. They also suggest that development in already-developed areas with a prior can push development on other regions. Projects directed to reduce poverty all around the globe have to address social equity, education, and medical and healthcare development through as many approaches and methods as needed (Chakrabarti & Dhar, 2013; Dixon & Thirlwall, 1975; Yalegama, Chileshe, & Ma, 2016). Despite the significant role of the government