

Small tourism enterprises (STEs) and sustainable tourism development in

Rural China: a GSEM-based analysis

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Abstract: Rural tourism plays an important role in increasing job opportunities for rural areas. However, little is known about the role of small tourism enterprises (STEs) in rural tourism and regional development in developing countries. This study clarifies, (1) what factors affect SMTs business and their owners' awareness of sustainable tourism, (2) how to encourage more firms to be engaged in promoting sustainable tourism, and (3) what are the future intentions of SMTs owners under different scenarios. To this end, we conducted a questionnaire survey in three rural tourism destinations in Chongqing, China and collected 226 questionnaires from SMTs owners. This is the first study in literature to target the future intentions of rural business owners based on a stated preference approach. Factors examined include both external factor (rural tourism policies, government support, etc.) and internal factors (working mobilities, household attributes, etc.). A generalized structural equation model (GSEM) is adopted to capture complicated cause-effect relationships in answering the above questions by reflecting original features of data included in a more scientific way.

Introduction

For the pasting decade, Chinese government has launched a series of rural tourism projects, aiming at poverty alleviation and rural revitalization. After the launch of “the suggestions from State Council of the People’s Republic of China to support return migrant workers to establish business” (The State Council of the People’s Republic of China, 2015), regional governments directly start to improve the infrastructure and increase job opportunities, and rural migrant workers were attracted to go back to their hometown and started their own business. The target of this project pointed that, up to 2020, China will have 150,000 rural tourism villages, 3,000,000 households will join rural tourism business, the number of rural tourists will reach 20 billion, the income will beyond 10,000 billion. 50,000,000 rural residents will benefit from rural tourism and 12,000,000 poor people will overcome poverty (National Bureau of Statistics of the People’s Republic of China, 2016). If the target will be reached, Chinese rural villages will have huge change, and also the position of rural residents and rural migrant workers in China. The pace of urbanization will be accelerated under this national rural tourism development. However, the results still need to be seen. From the statistics, up to 2015, rural residents already established 25,050,000 small-sized enterprises, among which, 400,000 are agriculture products processing and 270,000 are in the business of leisure agriculture and rural tourism¹ (The State Council of the People’s Republic of China, 2015). Nevertheless, many rural regions in western and southwestern of China still depend on the income of migrant workers to support their families, so encouraging migrant workers to settle down and find jobs in their hometown will help increase the local income and accelerate urbanization in western part.

Although rural tourism in China has already got huge increasing practically, the effects of rural tourism in China has still been insufficiently examined by academic researchers. The early

¹ Sources from: http://www.gov.cn/shuju/2016-06/24/content_5084901.htm

research focus on return migrant workers were about strategy discussion (Li, 1999), then the reasons and impact of return migrant workers to local regions were discussed (Gao, 2007; Wang 2009; Chen, 2010). Empirical study and quantitative method were neglected in the process. Besides that, the role of Small Tourism Enterprises in rural regions has not been fully discussed. Despite the prevalence of SMEs (Small and Medium Enterprises) in tourism industry, there is scarce evidence about the reasons for and barriers to these enterprises being sustainable and the impact of sustainable awareness on other business' variables.

The main motivation in this study is to know what aspects will affect STEs to act more sustainably. And if so, how do the factors affect their sustainable awareness? Besides that, we also explored the external factors such as policy changing and family decisions on future business intentions, which help to draw the outline of future competitive tourism market under rapid changing of rural tourism market. The structure of this paper is as follow. First, the background outlines current problems and potentialities of tourism in rural China, especially the STEs development. Secondly, the literature summarized the definition and sustainability study of STEs. Next, we explained our method, including questionnaires design, cases, conceptual framework and assumptions. Then, we analyzed the results through aggregate analysis and GSEM. Finally, we made conclusion based on previous studies and implications for STEs development in China and other developing countries.

Method

Questionnaire survey

We designed a questionnaire consisting of the following parts by targeting STE operators or their managers and hand out randomly in our target areas.

Part 1 contains the objective information about STEs, which includes business type, job type considered before, operation time, current number of employees, promotion methods, reasons to start own business, reasons to start business here, factors influence operation, difference between other.

Part 2 measures the subject factors of STEs, such as awareness and evaluation towards different statements, including the satisfaction of operation and life, the evaluation of local tourism and destination, the awareness of sustainable tourism, the relationship between tourists, government and other enterprises, problems met in policies/operation, and future intentions of operation.

Besides that, we also asked what policies support they get from the government. And we created different scenarios by orthogonal design to investigate their job choice under different business and policy environment.

Part 3 asks respondents to report their working mobility histories and the reasons for job changing and the individual attributes of respondents and their main household members, such as employment status, education level, relationships of household members, and co-living status (whether to live together or not).

Research area

Chongqing is a major city in Southwest China and one of the Five national central cities in China. Administratively, it is one of China's four direct-controlled municipalities (the other three are Beijing, Shanghai and Tianjin), and the only such municipality in China located far away from the coast. Due to its location and geographically environment, the economics of

Chongqing is behind the other three municipalities, especially the mountainous and minority regions. On the other hand, Chongqing is the most populous Chinese municipality, which can provide a huge tourism market. Also, the tourism resources in Chongqing is worthy to developing rural tourism and has huge potentiality. So in this research, we chosen three rural tourism sites in Chongqing: Jin Yun Mountain, Anju ancient town, Gongtan ancient Town in Chongqing, southwest of China. All of them are using local resources (mountain, river, old buildings) to attract tourists and sharing the same tourism market. The three target areas have different distance and accessibility to city center, which is an important factor for tourists to choose tourism site. In total, 226 questionnaires were collected and 222 were valid.

Analysis approach

In this study, we assume the following cause-effect structure for systematically capturing the causalities associated with the deployment of sustainable tourism business and future intentions in business operation. We assumed that social network and working mobilities will affect their sustainable business awareness and their future intentions. This is a dynamic awareness changing process of business owners according to their social relationship and gaining social experience. Besides that, we also considered the external and individual factors to influence their future decision especially under rural tourism policy and family decision background.

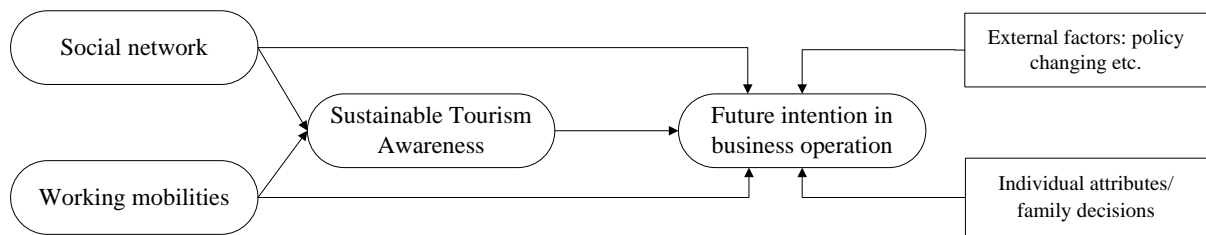


Figure 1. Cause-effect structure assumed in this study

Sustainable tourism awareness, part of future intentions is measured based on a 5-point scaling method (1. Fully disagree, 2. Slightly disagree, 3. Neutral, 4. Slightly agree, 5. Fully agree). Traditionally, it is natural to apply a structural equation modeling (SEM) approach with latent variables, which has been widely applied in the tourism literature. However, SEM assumes linear structures, which cannot better reflect the ordinal features of the 5-point scaling value. To overcome the above shortcoming, here, we propose to apply a generalized SEM (i.e., GSEM), where an ordinal logit analysis is performed with respect to each variable in Figure 1. Concretely speaking, we estimated a simultaneous-equation ordinal logit model by using the software STATA 13.

Basic information of collected data

Sex	Female 55.4%	Male 44.6%		
Age	15~24	25~44	45~64	65 and above
	4.5%	55.9%	36.5%	3.2%
Degree	Junior high school and below	High school	Junior College	University and above
	57.0%	31.1%	7.8%	3.1%
Average income	96,000 Chinese yuan (1,600,000 Japanese en)			
Experience in working in	Have (91.9%)			Never have or not told

cites/towns					(8.1%)
Average operation time	5.7				Under 5 years
Average number of employees	Current number 3.4				Beginning number 3.6
Business type	Catering	Accommodation	Retail	Others	
	56.3%	34.7%	37.8%	8.2%	
If not open business, what job will you choose?	Migrant workers	Salesman/service man	Farmers	Factory workers	
	32.4%	31.1%	12.6%	9.0%	
Main motivations to open own business	Having related skills	Having family support	Easy to start this business	Personal hobbies	
	39.2%	38.7%	36.5%	31.5%	
Main motivations to have business here	Living here	Like local lifestyle	Like the environment	Family issues	
	75.7%	41.9%	41.4%	42.3%	
Main factors influence business development	Seasonality	Fierce competition	Material cost	Unease policy	
	73.9%	34.7%	22.5%	13.5%	
Main used social media	Never used before	Use social media to do promotion (54.5%)			
	45.5%	Wechat	Online booking system	Online tourism forum	
		73.6%	47.1%	16.5%	
Current support from government policies	No support	Have support from government (51.4%)			
	48.6%	Tax exemption	Decoration support	Training support	
		75.4%	44.7%	27.2%	

Conclusion

This study explores the roles of STEs in sustainable tourism development, especially their social network and working mobilities. This is the first study in the context of a developing country, China, especially by applying a generalized structural equation model (GSEM), which is flexible to treat different types of data within a unified modeling framework. The GSEM-based analysis further supports our findings in a more scientific way. Sustainable tourism deployment requires better governance by involving different stakeholders in a more voluntary way. Our analyses support this by examining business owners' and managers' attitudes, subjective evaluation, and behavioral intentions. In this sense, various policy implications can be derived from this study, especially from the cultural and social perspectives.

Main references

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