Models, Characteristics and Upgrade of Rural Tourism Industrial Organizations in Beijing Suburbs

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Abstract This paper firstly introduces theoretical basis of researches on industrial organizations of rural tourism. It sums up major models of industrial organizations of rural tourism in Beijing suburbs. Then, it presents benefits and major problems of different models, sums up characteristics of development of rural tourism industrial organizations in Beijing suburbs. Finally, it comes up with recommendations for upgrade and development of rural tourism industrial organizations in Beijing suburbs.

Key words Rural tourism, Industrial organizations, Beijing Suburbs

1 Introduction

Rural tourism industrial organization is the competition, labor division and cooperative relationship between rural tourism product or service individuals or enterprises. These organizations mainly involve enterprises, individual industrial and commercial entities, village committees, and tourism associations providing products and services of rural tourism. In addition, local government and local residents also have certain influence on rural tourism industrial organizations. In recent years, rural tourism in Beijing suburbs develops rapidly. Through improving suburban rural life and rural tourism environment and innovating upon urban modern agricultural development model, rural tourism can cultivate new growth point of rural economy, promote increase of farmers’ income, expand farmers’ employment in situ, and effectively accelerate integrated development of urban and rural areas. At the same time of vigorous development of rural tourism in Beijing suburbs, it is also confronted with pressed requirement for upgrade. From the perspective of industrial organizations, with establishment of various rural tourism economic entities, Beijing suburbs have set up some excellent labor division and cooperation models, and the development of rural tourism industrial organizations is gradually mature.

2 Theoretical basis of researches on rural tourism industrial organizations

2.1 Major theories for researches of rural tourism industrial organizations

2.1.1 Theory of sustainable development. Components of rural tourism industrial organizations cooperate and compete with each other, with the ultimate purpose of realizing sustainable development.

2.1.2 Stakeholder theory. Parties within rural tourism industrial organizations have their own benefit demand and claims for their own interests. Thus, improving degree of industrial organization is mainly to balance benefits of every participant in the industrial organization.

2.1.3 Property right theory. It is the form and method of possession, operation, disposal and management of rural tourism resources, to ensure rights, responsibilities and interests of stakeholders in rural tourism industrial organizations, so as to establish long-term cooperation.

2.1.4 Integration strategy. Industrial activities of rural tourism will inevitably form vertical integration trend, while eliminating externality is one of reasons for adopting vertical integration.

2.1.5 Life cycle theory of rural tourism destination. The evolution of rural tourism destination includes 6 stages of life cycle: exploration, involvement, development, consolidation, stagnation/stability, decline or rejuvenation stages. Different destinations stay in different tourism development stages, so the industrial organization models are different.

2.2 Major participants of rural tourism industrial organizations

2.2.1 Government. Government participates in rural tourism industrial organizations mainly in development decision, rural tourism planning, policy support, infrastructure construction, regulating market order of rural tourism, promotion and marketing, and inviting outside investment.

2.2.2 Social residents. Social residents participate in rural tourism through providing tourism products, various raw materials, contracting or founding farmstay enterprises, and engage in permanent jobs of tourism enterprises.

2.2.3 Investment enterprises. These mainly include two types of enterprises: enterprises founded by village collectives, and enterprises invested and managed by external investors. In those rural tourism industrial organizations with involvement of investment enterprises, investment enterprises have advantages of capital, technology and management, and mainly undertake functions of investment, development, operation and management.

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Received: April 3, 2013 Accepted: July 22, 2013
Supported by General Program for Social Science Plan of Education Supervision Office of People’s Government of Beijing Municipality (SM201000000002).
2.2.4 Rural community village committees. These mainly function as organizing farmers to participate in development and operation of rural tourism, safeguarding lawful rights and interests of communities in the development of rural tourism, formulating village regulations and conventions, regulating rural tourism order, and coordinating benefits of stakeholders.

2.2.5 Rural tourism associations. These are coordinators of stakeholders in rural tourism industrial organizations, and mainly responsible for education, training, and supervision management.

3 Major models of rural tourism industrial organizations in Beijing suburbs

3.1 Contract and lease This model separates ownership and management right of rural tourism scenic spots, authorizes an enterprise to conduct long time of operation and management, so it is a relatively independent scenic spot with rural characteristics. For example, Xie Dao Eco-green Resort in Chaoyang District. Such model can bring into full play advantages of enterprises in fund, market, operation and management, and can rapidly introduce rural tourism products to the market. However, if enterprises manage scenic spots for long time, it is easy to form monopoly, while market-oriented development is easy to lead to excessive destruction of environment and negative externality.

3.2 "Enterprise + farmer" model Generally, enterprises are investment enterprises from other places. Farmers are individual industrial and commercial entities. The relationship between enterprises and farmers is labor division and cooperation. Enterprises provide major products and services, while farmers provide relevant supporting services. This model can be divided into scenic spot relying service model (e.g. Che'er Village in Sujiatuo Town of Haidian District), resource integrating model. Enterprises of this model not only possess property right of farmstay, it will not cause the problem of shortage of cost. In addition, enterprises regulate operation activities of farmers and reach the integration at operation level. Nevertheless, farmers are inferior when negotiating with enterprises, so they may change price or service standards.

3.3 "Company + farmer + community" model In this model, company refers to companies run by villages, rather than external enterprises. Through communities (e.g. village committee), they organize rural tourism. This model is similar to "company + farmer", with the difference in that enterprise run by villages is operation management organization, and not engaged in direct reception and service. Communities are responsible for coordinating farmers and companies. This model is common in Beijing suburbs. It can fully guarantee balanced distribution of development cost and benefit, and operation activities of companies and farmers are managed by village committee, so its integration degree is high. However, companies rely on village committee, the supervision will fail to continue due to lack of motive force.

3.4 "Enterprises run by villages" model One type is urbanized rural area. Villages establish large enterprise groups to develop rural tourism, such as Han village river village in Fangshan District, Nangong Village in Fengtai District. Another type is characteristic rural area. Generally, this type of enterprises, established by village committee, is responsible for development and construction of rural tourism projects, such as Guajia Village in Dahuashan Town of Pinggu District. Such model is led by village collective, so it can obtain support of government, protect villagers' benefit and protect ecology. The major problem lies in that the former is limited by financing, while the latter lacks planning of long-term development of enterprises, so the market innovation awareness is limited.

3.5 Cooperative shares system This model adopts cooperation of the state, collective and farmer individual, converts tourism resource, special technology and amount of labor into equity. The bonus adopts combination of sharing profit according to contribution and payment according to labor value. Farmers can participate in rural tourism development in the form of land, technology, and labor. Such model has clear property relationship, shared risks and balance of interests, so it is favorable for motivating farmers' enthusiasm for participating in developing rural tourism. The major problem is separate equity, difficult decision-making, shareholders caring about short-term return, and lack of confidence of long-term investment development.

3.6 Specialized cooperative model (1) Rural folk custom tourism association. This is launched and set up by government and village committee. These associations have self-management, self-service and self-education. Among folk villages in Beijing suburbs, about 2/3 villages have tourism associations, but many of them are not regular. Their activities are limited to organizing members to participate in training and marketing launched by tourism competent authorities. As a result, the independence, autonomy and self-development capacity is weak. (2) Rural folk custom tourism cooperative. Establishment and operation of cooperatives basically conform to regulations of law of farmers' specialized cooperatives. Such as Shitanglu Village Leisure Agricultural Cooperative of Shicheng Town in Miyun County, and Guandi Village of Yanqi Town in Huairou District. These cooperatives change external market into internal market, and connect farmers and enterprises and combine production and market. In addition, the improvement of farmers' organizational level lifts farmers' position in negotiation and resisting against risks, helpful for setting up famous brands for rural tourism. Although Beijing has issued policies making clear status of farmstay cooperatives, and allowed them to register, it is still difficult for those cooperatives to realize profit making like other cooperatives.

3.7 Separate operation Individual farmers, on the basis of spontaneous action, separately and autonomously operate rural tourism. Ownership and operation right of project are integrated together. At present, some areas with rural tourism starting at early stage, basically belong to such model. This model can bring into full play enthusiasm of farmers, avoid collision, and manifest original characteristics. Nevertheless, separate operation will lead to intense competition, and single farmer has weak force, so it is
difficult for them to resist against market risks.

4 Characteristics of development of rural tourism industrial organizations in Beijing suburbs

4.1 Significant function of government in promoting rural tourism (1) Formulating policies to form joint effort. From the end of 1990s, Beijing Municipal Commission of Tourism Development allocated fund to support planning, promotion and marketing of suburban rural tourism projects. Other departments also offer support for construction of sightseeing agricultural garden infrastructure, road construction of folk tourism villages, water and toilet change, greening, and park lot construction. (2) Making planning to manifest characteristics. In 2004, Beijing Municipal Commission of Rural Affairs and Beijing Tourism Administration jointly issued the Development Plan of Rural Tourism in Beijing (2005 – 2010). (3) Issuing standards to regulate services. In 2007, Beijing Municipal Commission of Rural Affairs and Beijing Tourism Administration jointly issued Classification and Evaluation of Rural Folklore Tour Village and Classification and Evaluation of Rural Tourism Households; in 2009, Beijing Tourism Administration and Beijing Municipal Administration of Quality and Technology Supervision issued the Rating Standard for Special Rural Tourism Categories. These standards guide regular development of leisure agriculture in Beijing and promote upgrade of leisure agriculture. (4) Improving marketing and expanding propaganda. These includes large industrial propaganda and promotion activities, television and radio advertisements, setting up rural tourism network platform, and exploring to establish close cooperative relationship with marketing intermediaries. (5) Organizing training to enhance exchange. Government departments organize training activities such as special lectures and on-the-spot investigation, to improve quality of rural tourism workers.

4.2 Specialized operation of external investment enterprises forming industrial advantages External investors obtain the right to use rural tourism resources. Government of collective transfers the management right of rural tourism resources and brand to those external investors that have powerful economic strength and higher market operating ability. In recent years, Beijing Municipality, districts and township government have issued many land and tax policies and measures to attract both domestic and foreign investors to invest in Beijing suburban rural tourism, such as encouraging and guiding social capitals to participate in policies for construction of major tourism projects, policies for industrial adjustment, giving priority to land use for tourism development, supporting policies of resources exchanging fund, and rewarding policies for activity for inviting outside investment in rural tourism. These preferential policies will directly attract a lot of influential enterprises to invest in rural tourism projects, and operation subjects are changing from mainly farmer households to multiple development subjects.

4.3 Gradual increase of farmers’ indirect participation in operation of rural tourism Current situations of industrial organization scale of rural tourism in Beijing show that farmers participate in operation of rural tourism mainly in two ways. Firstly, farmers are directly engaged in tourism operation activities, such as farmer hotels, farmer restaurants, characteristic agricultural fruit and vegetable gardens, etc. This model has significant economic benefit in short term, rapid increase of efficiency, and farmers’ enthusiasm is high. However, due to limitation of self quality and lack of long term planning, the overall management level is relatively low, and consequently the sustainability is poor. Secondly, farmers rely on influential entities to make joint development. This is mainly manifested in centralized management by an organization. Farmers, as shareholders, obtain profit through certain benefit distribution mechanism, and farmer households become cooperators and stakeholders of rural tourism industry. Such model can constantly increase comprehensive benefit of farmers, so it has better continuation. The study has shown that more and more farmer households in Beijing suburbs become willing to participate in rural tourism in the form of providing labor service, capital, and land, so the large-scale and intensification of rural tourism become more evident.

4.4 Rural tourism farmer cooperatives gradually mature With constant expansion and in-depth development of rural tourism in Beijing suburbs, the drawback of single combat of separate operation appears, farmer households have slow access to market information, and their competitive power is weak. These disadvantages gradually restrict benign interaction between farmers and market. To change this situation, the collective economic organizations or farmer households in some districts and counties set up specialized cooperatives on the voluntary and mutual benefit principle, such as rural tourism associations and rural tourism cooperatives. They have become mainstay for improving organization of rural tourism in Beijing suburbs. Shicheng Town of Miyun County found folk tourism cooperative, which further strengthens coordination and service functions of cooperatives, especially the model of "centralized washing and delivery of bed clothes", "unifying price of major vegetable", "unifying purchase of food products", and "unifying service standards and regulations". These have brought about economic benefit and social benefit, and greatly improve organization of rural tourism.

5 Countermeasures and recommendations for development of rural tourism industrial organizations in Beijing suburbs

5.1 Comprehensively considering all factors and selecting proper rural tourism industrial organization model in accordance with time and place Influenced by resources, economic development and functional orientation factors, rural tourism development is not balanced in Beijing suburbs. Thus, selection of rural tourism industrial organization model should comprehensively consider development stage, community management level and position of rural tourism in local economic development. If the economic development level is high and rural tourism has developed to
5.2 Reinforcing leading role of government, and bringing into full play its service, guidance and supervision functions

Government leading development of rural tourism means government does not participate in development and operation of rural tourism directly. Instead, on the precondition of market-based resource allocation, government should bring into full play its macro control capacity, and provide guidance, support, and regulation for development of rural tourism, so as to prevent market failure and optimize resource allocation. In the above mentioned industrial organization models of Beijing suburbs, it should reinforce government supervision. On the one hand, it should serve development of enterprises, and provide assistance for infrastructure and marketing. On the other hand, it should supervise operation of enterprises, and protect local rural tourism environment, to promote sustainable development of rural tourism industry. When problem occurs in the cooperation between enterprises and farmer households, government should coordinate, make operation philosophy of enterprises well implemented in farmers, and ensure dynamic balance of farmers’ income and operation benefit of enterprises. For enterprises run by villages, it should separate government function from enterprise management, provide necessary policy and service guidance, but should avoid excessively intervening in operation actions of enterprises.

5.3 Creating favorable policy environment, and increasing effort of inviting outside investment, to attract more influential enterprises to invest in rural tourism industry

It is recommended to increase input into rural infrastructure construction, make favorable policies for those towns and villages where the rural tourism has significant development, and improve hardware environment of rural tourism, to provide excellent infrastructure guarantee for social investment. In addition, it should formulate policies for inviting outside investment, and provide comprehensive in project establishment, report for approval, finance and tax, and provide guarantee of bank loan for enterprises. Besides, it should encourage, guide and support insightful, and influential and perspective enterprises to participate in construction of infrastructure, specific travelling route, and development and construction of famous towns, to form multiple channel and diversified investment pattern. Apart from infrastructure and policy guarantee, it should also strengthen propaganda of change of farmers’ ideas of inviting outside investment, to make villagers fully realize advantages of inviting outside investment, so as to achieve harmonious coexistence and mutual benefit and reciprocity.

5.4 Enhancing guidance, support and supervision of rural tourism cooperatives, to improve the organizational level of rural tourism industry

With large-scale and intensified development of rural tourism industry, rural tourism cooperative becomes one of the best carriers suiting such development trend. To practically promote development of rural tourism cooperatives, relevant authorities should (i) increase financial support for rural tourism cooperatives; (ii) allow and encourage rural tourism cooperatives to assist each other and set up mutual financing organizations; (iii) give priority arrangement in road construction, public traffic, sewage disposal infrastructure for those towns and villages with better development of rural tourism cooperatives; (iv) strengthen guidance and supervision of rural tourism cooperatives to help them improvement operation and management; (v) promote to set up rural tourism associations, to increase attraction to outside investment, and promote upgrade of rural tourism.

5.5 Innovating upon industrial organization model with the aid of advantages of the capital, to realize comprehensive operation of government, enterprise and market

With the aid of sci-tech advantages of the capital, it is proposed to innovate upon rural tourism industrial organization models. For example, explore the model of "government + tourist corporation + travel agency + farmer tourist association + scientific research institutions". Besides, it needs joint participation of government, community and market. Government plays the leading role and should guide development of rural tourism in accordance with local conditions; social participation means subjects of rural tourism development are farmers, including rural operation households, rural residents and village committees; market-oriented operation is an inevitable path for innovation of rural tourism development. Generally, it should orient towards the market, regulate operation mechanism, and lift the market competitive power. Furthermore, it should focus on tourists, and pay close attention to interests of tourists, to attract positive force of all relevant parties.

References