

Assessing Home Inn Contributions to Sustainable Tourism
Development in Dali and Heshun Ancient Towns,
Southwestern China

by
Huixuan OuYang



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Presented as part of the requirement for the award of MA Degree in Sustainable Leisure Management within the Department of Recreation and Tourism Management at Vancouver Island University

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DECLARATION

This thesis is a product of my own work and is not the result of anything done in collaboration.

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I agree that this thesis may be available for reference and photocopying, at the discretion of the University.

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Abstract

Sustainable tourism has been promoted around the world as a means to improve community development and reduce the negative impacts of tourism development. Although there are many approaches for residents to be involved in tourism development, operating home inns is an important means for residents to participate in the tourism industry in developing countries because it does not require a big investment to develop a home inn. However, few scholars have studied the contributions of home inns towards the sustainable development of tourism within a developing country context. This research attempted to explore the contribution of home inns towards sustainable tourism development in rural China (in terms of reduced poverty and increased quality of life). It conducted a comparative case study of home inns in two Ancient Towns that differed in terms of level of tourism development and socio-demographic characteristics. The purpose of this study was to understand whether community involvement, especially by local residents (disenfranchised ethnic minorities), in operating home inns in the rural areas of Yunnan province facilitated the sustainable development of tourism. This study will help local tourism officials and industry practitioners better understand how best to further develop tourism both sustainably and equitably in a developing country context.

Keyword: sustainable tourism, home inn, quality of life, community involvement, poverty alleviation

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Chapter 1: Introduction

Tourism has become the largest global industry (Ayobami et al., 2012) and is considered one of the most remarkable socio-economic phenomena since 20th century (Neto, 2003). The growth of tourism industry has proved to be a significant effective vehicle of economic growth and socioeconomic development in many countries (Sharpley, 2000). Tourism can provide lots of benefits for the community, such as increasing residents quality of life in economic, social and environmental sectors, enhancing household income, fostering knowledge and improving natural and cultural attractions (Kim, 2002; McCarthy, 2003; Andereck et al., 2005; Enea & Tanasoiu, 2009; Yahaya & Rasid, 2010; Yu et al., 2011a; Khizindar, 2012; Ayobami et al., 2012). Tourism can also help to reduce poverty in rural areas because it can increase job opportunities for locals and create business opportunities for them to make money (Leh & Hamzah, 2012). However, in order for the home inn industry to be part of a sustainable tourism development it needs to be developed responsibly with a pro-poor and equitable approach (Neto, 2003; Acharya & Halpenny, 2013). Sustainable tourism has become popular among communities, especially in a developing country context, for it aims to increase residents' economic benefits while minimizing negative effects both on socio-cultural and environmental sectors (Bloyer et al., 2004; Choi & Sirakaya, 2006; Parker, 2006). However, sustainable tourism development is dependent on local community participation in the tourism industry because resident support of tourism is regarded as an essential element for successful sustainable tourism development (Cole, 2006).

1.1 Home Inns

Home inns as new products appear in China tourism attract many tourists attention.

Home inns are where tourists pay money to stay in a local resident's home and interact with the host family. Demand for home inns has dramatically increased because more and more tourists prefer to stay in a home inn instead of an expensive hotel (Gu & Wong, 2006). Compared to other tourism businesses, the home inn industry has less start up requirements because operating a home inn does not need too much investment and less skill required. Therefore, operating a home inn becomes a choice for residents in rural China.

Operating home inns as a way for residents participate in tourism development has many influences on the local development. The community participation provides various benefits such as increasing the quality of life, improving access to a better education (Nyaupane et al., 2006; Cotrell et al., 2007; Zhou, 2008; Choi & Murray, 2010), diversifying livelihood activity options, and improving household income (Cotrell et al., 2007; Tao & Wall, 2008). Several academic studies have assessed the various ways resident participation affect local support for sustainable tourism development (Bloyer et al., 2004; Choi & Sirakaya, 2006; Gu & Wong, 2006; Parker, 2006; Tao & Wall, 2008). Residents will be much more interested in tourism if they can derive financial benefits from participating in the tourism development (Williams & Lawson, 2001). However, not all residents have an equitable opportunity to participate in the tourism industry or decision-making process.

The poor, especially minorities are deprived from participating in the tourism development not only because they lack money and resources but they also lack opportunities to participate (Bowden, 2005; Acharya & Halpenny, 2013). One possible way for local residents in rural areas to participate in the tourism industry is by operating a home inn since it requires a

minimal amount of investment and does not clash with traditional social norms (Nyaupane et al., 2006; Kayat, 2010). Tourism can be promoted through natural scenery but also through cultural attributes and home inns provide such an approach for tourists to learn about local culture (Liu, 2006). The home inn industry can help communities develop their economic, social and environmental sectors because the home inn industry can maximize the utilization of local resources and regeneration of tourism products (Acharya & Halpenny, 2013).

1.2 Quality of Life

Numerous studies pointed out that resident participation in tourism development can improve quality of life (Nyaupane et al., 2006; Yu et al., 2011); therefore, operating a home inn is an opportunity for local residents to be involved in the tourism development and improve their quality of life. The main benefits of running a home inn include reducing poverty (Bowden, 2005) and increasing quality of life (Gu & Wong, 2006; Yusof et al., 2012). The local special geographies are often not suitable for agriculture but the communities have rich cultural tourism resources; therefore, the local communities can improve the economic development by promoting tourism development. Previous research found that the purpose of home inns, especially in rural places is aimed to increase quality of life (Gu & Wong, 2006; Yusof et al., 2012). Although several studies have assessed the impact of tourism on resident quality of life (Arel, 2011; Andereck & Nyaupane, 2011a; Yu et al., 2011), few studies, however, have directly investigated the contribution of home inns to sustainable tourism by increasing residents' quality of life, reducing poverty and decreasing negative impacts on socio-cultural and environmental sectors.

1.3 Research Framework

If one is to understand the impact of sustainable tourism in a rural developing country context, various elements such as community involvement and quality of life must be studied. This research analyzed the home inn industry on two aspects: the benefits of operating home inns and the factors that influenced resident participation in operating home inns (Figure 1). This research focused on the benefits of operating home inns by improving quality of life and alleviating poverty to further examine how operating home inns contributed to sustainable tourism. There are many factors that can influence resident involvement in tourism development (Gu & Wong, 2006; Razzaq et al., 2011; Amin et al., 2013) and this research assessed the ability of home inns to alleviate poverty aided by the support from the local governments and with preferential policies for minorities.

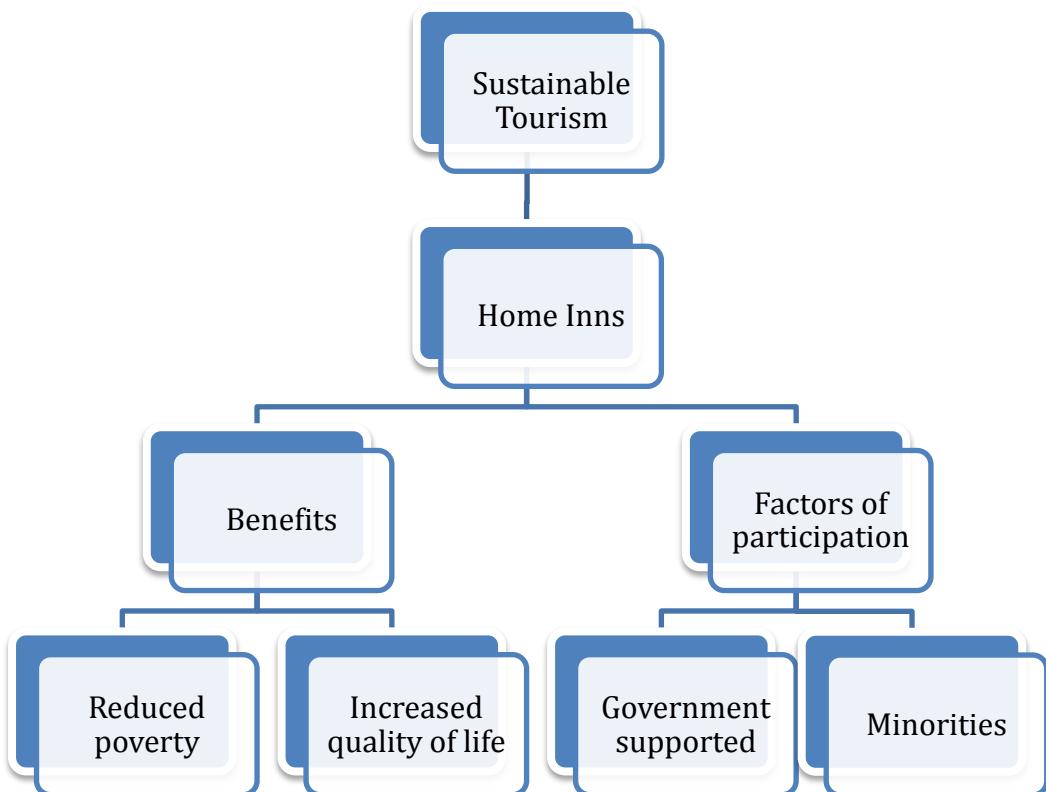


Figure 1. The benefits and factors of a sustainable home inn industry

1.4 Research Objectives

This research aimed at studying the relationship between home inns and quality of life and the contribution of home inns to sustainable tourism development. There were four research objectives:

- 1) To understand significant factors affecting local residents' participation in operating home inns;
- 2) To understand how operating home inns affects the local quality of life;
- 3) To understand the capacity of home inns reducing poverty; and
- 4) To understand the relationship between the home inn industry and sustainable tourism

1.5 Importance of the Study

China, as a developing country, is focusing on sustainable tourism development too. However, most of the Chinese scholars are focusing on protecting tourism resource and few people study sustainable tourism through the home inn industry perspective. As home inns constitute a vital form of local participation in tourism and home inn operators are in direct contact with tourists (Gu & Wong, 2006), home inn operators may have strong feelings about tourism impacts on their quality of life and livelihood.

This thesis compared the contribution of the home inn industry in two Ancient Towns in southern China with differing levels of the tourism development. One Ancient town was predominantly comprised of ethnic minorities that had been developing home inns for the past two decades while the other Ancient town had few ethnic minorities and just recently started developing home inns. The purpose of the study was to investigate home inn operators quality of life and how did the home inn industry contribute to sustainable tourism development in rural

China. The importance of this study was to find out how did the home inn industry affect local sustainable tourism development because home inns could be stepping stones toward the sustainable development by reducing poverty and increasing quality of life (Acharya & Halpenny, 2013).

In this thesis, chapter one is the overview of the whole study. Chapter two introduces the literature review for resident participation in the home inn industry and quality of life. Chapter three describes two study locations and the process of dealing with data. Chapter four provides the findings of the study. Chapter five is conclusions and discussion.

Chapter 2: Literature Review

This chapter provides a literature review on sustainable tourism, resident participation in the home inn industry and quality of life. It offers an overview of sustainable tourism, benefits of operating home inns and residents participation in tourism development. Then it follows up the relationship between the tourism development and quality of life. With the tourism development in China, more and more home inns appear in destinations and become a special attraction to tourists. Moreover, the home inn industry is easier for residents to participate so more and more people start to operate home inns.

The term “Home inn” has the same meaning as *Kezhan* in Mandarin, which is a new concept to the Chinese tourism market. The name of *Kezhan* is passed down from the ancient times in China which refers to an accommodation with little infrastructure; therefore, many people at present use *Kezhan* to name their home inns in China. This study adopted the term “home inn” instead of *Kezhan* is because using its English name would be easier to understand for people from different backgrounds. There is a nuance between home inn and homestay. Homestays are where tourists stay with a family in their house and are offered food by the family (Richard, 2003, as cited in Thompson, 2010). Home inns are where tourists stay with the family but do not receive food prepared by the home inn operators. The home inn industry contributes to sustainable tourism because it minimizes ecological footprints and can protect fragile ecosystems and biodiversity (Anand et al., 2012). Home inn operators do not need to convert the land to build new houses, they just need to separate rooms and install some beds. Home inns are also good at advertising different cultural experiences of ethnic lifestyles to tourists and creating a supplementary source of income for the local residents (Liu, 2006).

2.1 What is Sustainable Tourism Development

Many scholars pay attention to sustainable tourism development in different perspectives. Various scholars from diverse fields in different contexts have used the term of sustainable development (Sharpley, 2000); therefore, there are various definitions for sustainable tourism development. World Commission on Environment & Development (WCED) defined sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, P.43, as cited in Choi & Sirakaya, 2006). According to Lele (1991, as cited in Sharpley, 2000), sustainable development means something develops in a sustainable way. Hence, sustainable tourism development could be explained tourism develops sustainability and leaves resource for future generations. Sharpley (2000) figures out that sustainable tourism development should include three elements: national and international co-operation policies making; the importance of technological advancement to solve environmental problems; and adopting the new social paradigm. Luck’s study (2006) pointed out that World Tourism Organization had stated that there are four main factors that would affect a successful sustainable tourism project: local community’s participation; co-operator among various partners; environmental commitment; and continuous monitoring of the performance.

Economic, environmental and socio-cultural sustainability are also three vital elements for studying sustainable tourism (Coccossic, 1996, as cited in Butler, 1999; Choi & Sirakaya, 2006). The economic profits from the tourism industry could be distributed throughout the community (Choi & Sirakaya, 2006; Muganda et al., 2010). Local residents who can gain benefits from tourism development will be more willing to participate in future tourism development (William & Lawson, 2001). The importance for protecting the natural environment

is because we cannot use future generation's resource. The significant of socio-cultural sustainability is that sustainable tourism should strengthen social cohesiveness and improve residents' pride of their communities (Choi & Sirakaya, 2006). Hence, according to various scholars' research, sustainable tourism should aim to increase residents' quality of life by providing a long-term economic benefits to locals, as well as protecting the natural and cultural environments of destinations (Coccosic, 1996, as cited in Butler, 1999; Bloyer et al., 2004; Choi & Sirakaya, 2006; Parker, 2006).

There are several elements of sustainable tourism development including community involvement, local governments participation and poverty alleviation. Active community involvement in tourism development is one of essential elements of sustainable tourism, because it could make the planning process more effective, equitable and legitimate (Choi & Sirakaya, 2006; Muganda et al., 2010). Local government's monitoring is also an important element in sustainable tourism development; however, local governments especially in developing countries are lacking development-related policies and regulations that support regional tourism development (Choi & Sirakaya, 2006). Local government's participation could offer some financial aid to local residents who lack of essential start-up capitals. Sustainable tourism should contribute to poverty alleviation as well, for tourism could solve poverty issue by enhancing economic development, creating more employment opportunities, and generating more business opportunities for locals (Muganda et al., 2010).

Tourism is regarded by society as being a healthy pursuit and a factor in enhancing quality of life (Hobson, 1995). The vital potential of tourism impacts on resident's quality of life can be concluded in four sectors: economic, social, cultural and environmental (Kim, 2002; McCarthy, 2003; Andereck et al., 2005; Nyaupane et al., 2006; Andereck & Nyaupane, 2011a;

Yu et al., 2011; Khizindar, 2012;). For example, tourism can increase residents' income (Kim, 2002; Yahaya & Rasid, 2010; Yu et al., 2011), improve community development (Enea & Tanasoiu, 2009), raise awareness of protecting environment (Kim, 2002; Gu & Wong, 2006) and reduce cultural conflicts (Kim, 2002; Andereck et al., 2005). Although tourism development can increase local quality of life, there are also some negative consequences such as the increased cost of living (Kim, 2002; Andereck et al., 2005; Muganda et al., 2010) and environmental deterioration (Gu & Wong, 2006) that reduce resident quality of life. In other words, increasing economic benefits does not always result in an increased quality of life for the residents (Yu et al., 2011). Since improved resident quality of life is vital for tourism development, there is a need to study quality of life.

2.2 Resident Participation in the Home Inn Industry

The home inn industry is good for sustainable tourism due to the changing preferences of tourists from extravagant disconnected accommodations to more economically feasible and socially acceptable places to stay that provide tourists with a much more direct and authentic cultural experience (Razzaq et al., 2011; Thompson, 2010). The home inn industry provides several positive economic, socio-cultural, as well as environmental benefits to local communities. Home inns can increase residents' income as well as conserve cultural heritage, traditional values, and promote intercultural understanding (Nyaupane et al., 2006; Kayat, 2010; Anand et al., 2012). Operating a home inn can foster a sense of pride, self-satisfaction, and healthy lifestyle, and also improve a resident's socio-economic position (Yahaya & Rasid, 2010). Moreover, the home inn industry can create a strong social cohesion in communities, for it offers a platform for both local residents and tourists to learn different cultures and lifestyles (Kayat, 2010), which will make people more tolerant towards other cultures (Williams & Lawson, 2001).

Operating home inns can raise operator's awareness of protecting both the home inns and the natural environment because an improved quality of environment attracts more tourists, which can also teach the tourists to learn to appreciate and respect the local environment (Razzaq et al., 2011). As the popularity of operating home inns in rural areas in China increases, it is important to identify the significant factors that would lead residents to participate in the tourism development through operating home inns. However, most research on home inns has focused on the economic impacts (Williams & Lawson, 2001; Nyaupane et al., 2006; Yahaya & Rasid, 2010; Kayat, 2010; Anand et al., 2012) and assesses factors of participation.

Key stakeholders need to be identified when evaluating tourism impacts. Stakeholders are people who have a vested interest in a public or private sector issue and include individuals, organizations, and alliance groups. They can exhibit an active or passive influence on the decision-making and implementation processes (Grimble & Wellard, 1997; Varvasovszky & Brugha, 2000). Different stakeholder groups will have different sets of needs and expectations that relate to their own goals, and those expectations can easily cause conflicts between stakeholder groups making it difficult for sectors to achieve common objectives (Theobald, 2012). In tourism, stakeholder theory has been used to identify key stakeholders to achieve a balanced perspective among stakeholder groups (Grimble & Wellard, 1997; Theobald, 2012). Different stakeholders should be involved in sustainable tourism development to reduce conflict (Byrd et al, 2009) and their goodwill positively influences local tourism development (Nicolas et al, 2009; Yu et al., 2011).

The benefits of identifying different groups of stakeholders are not only to map the positions of actors in relation to the issues, but also to analyze their relationship to each other (Varvasovszky & Brugha, 2000). Resident participation in tourism development provides various

positive benefits. Many scholars point out community residents should have the opportunity to be involved in tourism decision-making because residents' opinions are vital to both tourism development and community development (Choi & Murray, 2001; Nyaupane et al, 2006). For example, Zhou and Liu (2008) point out that all residents in Zheng He village benefit from their communal participation in tourism development either directly or indirectly. Resident participation in tourism activities can protect their culture via the tourism development (Liu, 2006). Local residents can give useful suggestions to the planner on how to protect the historical buildings because they have lived there for a long time (Wang & Zhou, 2003). However, due to inequality and lacking resources, not everyone has the same opportunities to be involved in tourism development in rural areas (Bowden, 2005; Acharya & Halpenny, 2013). Moreover, there are still lots of different factors that will influence residents' perception of joining in the tourism development.

Factors such as education, age and gender can influence residents' participation in the home inn industry (Gu & Wong, 2006; Razzaq et al., 2011; Amin et al., 2013). For example, more females and elderly people have been shown operating home inns (Razzaq et al., 2011; Amin et al., 2013; Gu & Wong, 2006). By operating home inns, females can participate in the tourism development and gain some social benefits. For example, women may gain a slightly higher social status since they generate independent income from operating a home inn business (Archarya & Halpenny, 2013). More and more elderly people operate home inns in Malaysia because they have more free time to spend on managing home inns than younger people with families (Razzaq et al., 2011).

2.3 Quality of Life

The development of tourism can have myriad influences on the host destination and community. Tourism impacts describe changes in the state of other aspects that are related to tourism development over time (Mason, 2008). Tourism both positively and negatively influences economic, socio-cultural and environmental sectors (Haralambopoulos & Pizam, 1996; Mason, 2008; Buckley, 2012; Ghaderi & Henderson, 2012). Tourism can contribute to the protection of conservation areas, improves women's status and local pride, and generate income and employment (Buckley, 2012; Ghaderi & Henderson, 2012; Guo et al, 2013).

Tourism impacts are associated with residents' quality of life because residents' socio-demographic characteristics will affect their perceptions on the impact of tourism development (Guo et al, 2013). Tourism impacts can be seen as an antecedent of quality of life because tourism development affects residents' life conditions, which is a measurement of quality of life (Deery et al, 2012; Kim et al, 2013). Some studies prove that local residents have perceptions of tourism impacts on economic, socio-cultural and environmental aspects, which will influence their life satisfaction with various life conditions; therefore this effect will influence residents' overall life satisfaction (Kremmer, 2011; Kim et al, 2013). If the positive influence of tourism impact outweighs its negative influence, residents' quality of life could be increased. Otherwise, tourism development will decrease residents' quality of life.

Sustainable tourism is an important way to promote resident quality of life. It should meet the needs of the local residents' standard of living over the short and long term (Liu, 1986, as cited in Andereck et al., 2007). Hence, the sustainable tourism development is a win-win solution for residents and tourists because it can increase resident quality of life, reduce poverty and improve tourist satisfaction levels as well (Kim, 2002). Additionally, improving resident

quality of life is vital for tourism development investors and stakeholders because the goodwill of residents may influence revisit intentions and good recommendations of destinations (Yu et al., 2011). Operating a home inn is popular throughout southern China because it is a small step for local residents to participate in the tourism industry to increase their income and improve their quality of life. However, there is little research assessing the relationship between quality of life and home inn operators.

Quality of life is an amorphous term that has multiple definitions and is a subjective experience dependent on an individual's perception and feeling (Andereck & Nyaupane, 2011a). The World Health Organization (1997) defines quality of life as "an individuals' perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns" (p. 1). It is often regarded as being equivalent to subjective well-being or life satisfaction (Shackman, 2005, as cited in Moscardo, 2009). The purpose of studying quality of life is to understand residents' well-being from the objective and subjective perspectives (Yu et al., 2011), which can help understand tourism because quality of life offers the potential to broaden discussions of tourism outcomes (Moscardo, 2009).

Quality of life is measured as people's satisfaction with their current life or fulfillment with the experience (Andereck & Nyaupane, 2011b); therefore, the indicators of quality of life are designed to assess the totality of life experiences. Although it is difficult to measure quality of life because it is a subjective experience dependent on individual perceptions and experience (Hobson & Dietrich, 1995; Andereck & Nyaupane, 2011b), different scholars still pointed out various conceptual frameworks to measure the impacts of tourism on quality of life through various perspectives. For example, Hobson and Dietrich (1995) considered quality of life as an

individual's standard of living, employment, income, personal health, as well as family and friends; however, they put more focus on personal health than other perspectives because they found this indicator can influence the overall quality of life during the tourism activities. Kim (2002) states tourism's economic impacts can be categorized into four different sub-dimensions: employment opportunity, revenue from tourists for local business and government, standard of living and cost of living; the indicators of social impacts can be divided into social problems and local service; and the impact of culture can also be categorized as preservation and deterioration of the local culture; and the environmental impacts are pollution, solid waste, wild life and ecology. Measuring various life aspects enables the ability to capture significant aspects of quality of life that are not reflected in purely economic terms (Kim, 2002). Moscardo (2009) summarizes previous studies and points out that there is a considerable agreement that quality of life consist of four domains -- basic physiological needs, security, belongingness and self-esteem. All these indicators are related to life satisfaction, which refers to the satisfaction that people may feel toward their overall living conditions and life accomplishment (Moscardo, 2009). There is a similarity among these scholars that they all focus on the economic impacts of quality of life. Moreover, many other scholars have also point out sustainable tourism should improve residents income (Bloyer et al., 2004; Choi & Sirakaya, 2006); therefore, the economic impact should be one of the vital indicators for measuring quality of life in this study. Due to the study location contexts, Dali Ancient Town and Heshun Ancient Town are both famous for their cultural resources so measuring the cultural impact of operating home inns is also significant for studying how the home inn industry contributing to quality of life. Environmental impact has to be considered in this study because it is another important sector for quality of life especially

when tourism become a pillar industry in these Ancient Towns and it will help to analyze how do the home inn industry contribute to quality of life when comparing to other tourism businesses.

Chapter 3: Methodology

This chapter describes the methodology used in this study to assess how the home inn industry influences local resident quality of life and local tourism development. The chapter first presents the study locations and the differences between the two Ancient Towns. Secondly, this chapter introduces different stakeholder groups that were involved in the study and data analysis. Thirdly, this chapter explains the strengths and weaknesses of the methodology.

3.1 Study Area

This study was conducted in Yunnan province, which was located in the southwest of China. Over 80% of Yunnan province is mountainous region, the average altitude is 2,000 meters, and due to its special geographic location Yunnan is one of the poorest provinces in China (Bowden, 2005). Residents in this province are isolated, lacking information of the outside world and have minimal market opportunities because of the high altitude and low quality agricultural lands (Bowden, 2005). However, Yunnan province has rich tourism resource and minority cultures that attracted more than 167 million tourists in 2011. Since tourism becomes a vital growth engine for the provincial economy, it attracts many local residents involved in various tourism productions that have shaken off poverty (Bowden, 2005; Zhang, 2012). This research conducted two case studies of Ancient Towns, one in Dali city and the other in Tengchong county (Figure 2). Dali is located in the west-central part of Yunnan province and is a well-known tourism destination that attracted more than 15.45 million tourists and earned 13.84 billion RMB (USD 2.23 billion) in 2011 (Li & Wu, 2012). Because most residents in Dali are Bai people that are one of the minority groups in China, the local traditional buildings exhibit Bai ethnic architectural style that attract many tourists. Tengchong county is located in the south of Yunnan province and received about 4.4 million tourists in 2011 (Tengchong County Tourism

Administration, 2012). Heshun Ancient Town is a new tourism destination located in Tengchong county, most of local residents are Han people, China's principle ethnic group; therefore, most of building styles are from the Qing dynasty and attract many tourists who are interested in the local history.



Figure 2. Case study locations in Dali and Tengchong

Dali Ancient Town and Heshun Ancient Town have a long history and profound cultures. The history of Dali Ancient Town could be dated back to the year 1382 during the Ming dynasty (1368-1644) and had been among the top listed historical cities of China since 1982; Heshun Ancient Town was built in the year of 1411. Both of these two Ancient Towns were gateways to the Silk Road in Southwest China. The first home inn in Dali Ancient town was built in 1994 and with the tourism development in recent decades the numbers of home inns had increased to more

than three hundred (Zhang, 2012). However, home inns started to appear in Heshun Ancient Town around the year of 2000 and at the end of 2009 there were 48 home inns running the business while 40 home inns were under the construction (Huang, 2009).

The traditional Bai ethnic minority style of houses gives Dali Ancient Town a distinctive feel, which is different to the common Chinese building style. The typical Bai style house is combined with three rooms and a screen wall with four joints and five courtyards. The term “three rooms and a screen wall” means that every house has a living room and two wing-rooms and the screen wall is facing the living room. When the sun shines on the screen wall in the afternoon, the sunlight is reflected back to the courtyard, thus illuminating the whole area. The term “four joints and five courtyards” means that the houses are built with four sides; there are four small courtyards in the joining parts of the house and one big courtyard between the screen wall and the living room.

Heshun Ancient Town is one of the most charming towns in China and is selected by China’s CCTV (China’s largest national TV network) due to its solid cultural heritage, natural scenery, local custom and economic vigor. It is also famous for its traditional local custom of men going abroad to make their fortunes and then return. Many Heshun people had been going to Burma to trade and seek fortune since the 1368. Due to the large amount of repatriation, the architecture in Heshun Ancient Town shows a combination of both foreign and Chinese styles.

There are six stages of tourism development according to Butler’s tourist area lifecycle including exploration, involvement, consolidation, stagnation, and decline or rejuvenation (Butler, 1980). Dali Ancient Town is in the stagnation stage while Heshun Ancient Town is in the involvement stage. Dali city started developing tourism in 1994 and by 2010 there were about five thousand people directly involved in the tourism development with around two

hundred thousand people indirectly participated in the tourism industry (Dali Tourism Development 2011-2015 Planning, 2011). Furthermore, from 2006 to 2010, Dali received more than 50 million domestic tourists and 1.53 million international tourists (Dali Tourism Development 2011-2015 Planning, 2011). There are 102 hotels in Dali city, 4 hotels and 303 home inns in Dali Ancient Town in 2010 (Dali Tourism Development 2011-2015 Planning, 2011). Heshun Ancient Town started to develop tourism in 2003 and became famous in 2005 (Liu, 2011). Since tourism starts in Tengchong county comparatively late, its accommodations are lagging behind Dali city and there are only 28 hotels in Tengchong county and 1 hotel in Heshun Ancient Town (Tengchong hotel, 2010).

The Yunnan provincial government and local governments also pay close attention to the tourism development. The regional government of Tengchong county and local government in Heshun Ancient Town encourage local residents in Heshun Ancient Town to operate home inns by giving subsidies to residents to assist in reconstructing their houses to home inns. This is because that the governments want residents to live in the Ancient Town instead of leaving Tengchong county to make money (Liu, 2011). Under the help of the regional and local government, more than 95% of the home inns in Heshun Ancient Town are operated by local residents (Liu, 2011). This study conducted two case studies not because these two study areas were in different lifecycles but to seek new ways for Heshun Ancient Town to follow a successful sustainable path.

3.2 Data Collection

This study used semi-structured interviews to collect data in Dali Ancient Town and Heshun Ancient Town, China. The reasons for adopting semi-structured interview were because it could get detailed information and its less formal structure would not be forced and made

interviewees feel at ease to participate. However, there were some disadvantages of semi-structured interviews such as less representativeness than quantitative study. There were three groups of stakeholders that were involved in the semi-structured interview in both case studies locations. The first group of participants was home inn operators. I first used purposive key informant based snowball sampling to identify 3 representative home inns operators in each study location for the semi-structured interviews (total of 6). The second group of participants was local residents who did not operate home inns. I identified 3 representative local residents involved in the tourism industry from both towns (total of 6) who did not operate home inns to participate in semi-structured interviews. I identified these individuals through purposive snowball sampling based on information gained from my key informants. These participants directly involved in the tourism industry and chose from other tourism businesses sectors such as restaurants and souvenir stores. The third group was government tourism officials and I identified 3 officials from the relevant tourism departments to interview in each town (total of 6). The semi-structured key stakeholder interviews lasted between 40 and 60 minutes depending on how much the interviewees had to say.

All interviews were recorded and later translated by Chen Yang and myself. Interview questions were spoken in Mandarin and local words were used wherever possible and technical jargon avoided and some questions were modified to improve the clarity. The semi-structured interviews were structured around three basic themes:

- 1) Factors of operating home inns,
- 2) The relationship between quality of life and operating home inns
- 3) The relationship between home inn industry and poverty alleviation

3.3 Strengths and Weaknesses

The semi-structured interviews provided detailed information about home inns, for they provided greater scope for discussion and learning about each question, opinion and view of the respondent. It was a suitable method for this study because it could capture opinions of different owners of home inns, residents who did not operate homes inn and government officials. Moreover, the semi-structured interview was less formal so that it was a better way of catching the point of view of each participant to get inside information. The researcher continued and carried on each question until a fairly representative sample had been covered. Last but not least, some of the home inn operators or residents had low level of education and were illegible; therefore, the semi-structured interview was suitable for those participants who were unable to read.

However, the semi-structured interview still had some weaknesses. In developing world like China, people were not get used to be interviewed especially when the interview would be recorded. In this study, I was refused by many residents. Many residents in Dali Ancient Town did not want to conduct interviews. Moreover, it was difficult to interview government officials because most of them were afraid of saying something wrong and most of them only provided statements that were very obvious. The semi-structured interview was time-consuming. It not only cost time to run an interview but also cost time to travel to different study locations. Mountains cover over 95% of Yunnan province and due to its topography the traffic system does not develop very well. It cost five hours for bus from Kunming city to Dali city, and it would take another six to seven hours from Dali city to Tengchong county. Last but not least, although semi-structured interview was flexible, it also made the interview very flow and hard to analyze data.

3.4 Data Analysis

The aim of the analysis was threefold: 1) to give a descriptive picture of the reasons that local residents participate in operating home inns, 2) to provide an explanation of how the home inn industry affects resident quality of life, 3) to give a descriptive picture of the home inn industry contributes to sustainable tourism development. All the semi-structured interviews were recorded and then translated to English for analyzing. I used thematic analysis for analyzing data. The thematic analysis provided a way to summarize the data that it helped identifying, coding and categorizing themes into broad representative categories. Themes that emerged from the data could be pieced together to form a comprehensive picture of answering the research objectives.

This research included two different case study locations and three stakeholder groups so that it could seek a broad range of representatives including home inn operators, residents who run other tourism businesses and government officials. Comparing the effects of operating home inns in two different locations and listening to various stakeholder groups made the research sound and reliable. This research contributed to local communities and government department on realizing the importance of the home inn industry to the sustainable tourism development, and made home inn operators have more confidence in running their businesses.

Chapter 4: Results

This is a comparative case study of the home inn industries in two renowned Ancient Towns in Yunnan province, southern China: Dali and Heshun. Residents of both locations lived below the national average in terms of socio-economic standards. However, there were also many differences between the destinations (Table 1): a) tourism development in Dali had been controlled by the local government, while tourism development management in Heshun had been contracted out to a large private tourism company; b) Dali tourism was stagnating, while Heshun tourism was actively developing; c) most of the residents in Dali belonged to the Bai ethnic minority, while residents in Heshun were from the Han ethnic majority; d) many of the home inns in Dali were operated by non-local residents, whereas a larger proportion of the home inns in Heshun were operated by local residents, because the local government in Heshun encouraged and supported their involvement in the home inn industry.

Table 1. Summary of primary differences between case study locations

Characteristic	Dali Ancient Town	Heshun Ancient Town
Tourism management	Local government	Private company
Stage of development	Stagnation	Development
Ethnicity of residents	Bai minority	Han majority
Home inn operators	Mostly non-local operators	Mostly local resident operators

Assessing the varying levels of influence the home inn industry has aids in understanding how to more sustainably develop tourism throughout rural China. This chapter demonstrates the influence of the home inn industry on local communities from three perspectives. Sections 4.1 and 4.2 introduce the home inn industries in Dali and Heshun Ancient Towns. These two sections also include the significant factors that have affected residents' participation in the home inn industry, and the Dali and Heshun governments' attitudes toward their respective home inn industries. Section 4.3 describes the effect of the home inn industry on tourism development.

Section 4.4 illustrates the impacts of the home inn industry in the two local communities. Section 4.5 explores how home inns have affected the local quality of life, from the perspectives of home inn operators, government officials, and local residents. Section 4.6 discusses how home inns have affected the cost of living for local residents. Section 4.7 describes the relationship between the local home inn industry and poverty alleviation in the two Ancient Towns.

Data collection consisted of semi-structured interviews with three key stakeholder groups at each case study site to investigate the influence of the home inn industry. There were a total of 19 participants in this study. In Dali, four home inn operators, three local government officials, and three local residents were interviewed and three home inn operators, three local government officials, and three local residents were interviewed in Heshun (Table 2).

Local governments could not accurately estimate the total number of home inns in these two Ancient Towns because some home inns were operating without business licenses. Additionally, the regional government in Tengchong did not require business licenses for all tourism businesses in Heshun Ancient Town, so many of the home inns had not applied for them. However, the regional government has recently started to require business owners to register with the Administration of Commerce and Industry, in order to manage the development of the home inn industry. According to government officials and the towns' business registries, Dali had approximately 1000 registered home inns with business licenses, and Heshun had approximately 300.

Table 2. Basic information about Dali and Heshun study participants

Home Inn Operator	Description	Age	Ethnicity	Gender
Dali 1	Non-local from Guangzhou co-leasing a home inn with friends	35	Han	F
Dali 2	Local resident co-leasing a home inn with a non-local investor	27	Bai	M
Dali 3	Non-local from Shanghai leasing a home inn alone	31	Han	M
Dali 4	Non-local from Beijing leasing a home inn alone	35	Han	F
Heshun 1	Local home inn owners and operators, retired couple	68	Han	F
Heshun 2	Local home inn owner and operator, former carpenter	52	Bai	M
Heshun 3	Non-local from Shenzhen leasing a home inn alone, an entrepreneur who has other business interests outside of Heshun	46	Han	M
Government				
Dali 1	Government tourism official	37	Bai	M
Dali 2	President of a cultural preservation NGO and of a home inn association	50	Tibetan	M
Dali 3	Tourism professor and local tourism development planner	38	Yi	M
Heshun 1	Director at private tourism company with a 40-year contract for tourism resource development in Heshun Ancient Town	37	Han	M
Heshun 2	Loan officer at a bank	26	Han	M
Heshun 3	Supervisor of a home inn association NGO	66	Han	M
Residents				
Dali 1	Jewelry store owner	45	Bai	M
Dali 2	Hotel lobby manager	26	Bai	M
Dali 3	Tourism company manager	50	Bai	M
Heshun 1	Owner of a small restaurant in the Ancient Town	35	Han	F
Heshun 2	Owner of a restaurant in the community	43	Han	F
Heshun 3	High school teacher	25	Han	M

4.1 Overview of the Home Inn Industry in Dali Ancient Town

The home inn industry in Dali Ancient Town has developed very quickly since 2010, with more and more non-local residents participating in recent years. There were distinct differences between the home inns operated by non-local residents and those run by local residents, such as different factor caused them participated in the home inn industry. Moreover, home inns operated by non-local residents had higher service quality and better ambience than those operated by local residents. Although participation in the home inn industry potentially offers many benefits, such as earning more income and having more social connections, during

the time period of this study the home inn industry in Dali Ancient Town still faced a serious issue—breach of contract—which to date has negatively affected the development of the home inn industry in Dali.

Most of the home inns in Dali Ancient Town are cement structures, meaning they were built in the past 10 years, unlike the town's older, wood houses built 50 years ago. The majority of the tourists staying in home inns in Dali Ancient Town were younger people, from approximately 20 to 40 years old.

Most home inn operators in Dali Ancient Town are non-local investors who leased their home inns, often in partnership with friends, family, or spouses. As one Dali official noted, “Seventy percent of the home inn operators in Dali Ancient Town are non-local investors, and 90% of home inns are under a leasing contract. More and more home inns are operated by families, friends, or couples” (Dali official 2). The non-local operators were usually younger (30 to 40 years old) and very outgoing, and they had unique ideas for their home inns. For example, they tended to prioritize the décor, and they preferred to create a leisurely ambience that would be a welcome relief from their guests' high-speed city lives back home. Many of the non-local home inn operators were from wealthier provinces and municipalities, such as Guangdong province and Beijing. These operators had left their previous lives in large urban centres to pursue a simpler, easier lifestyle. In contrast, most of the local home inn operators were older than 40 and not very willing to talk with tourists who were not staying with them. The décor of the home inns operated by local residents was very simple, essentially offering just a room for guests to sleep.

Some home inns in Dali Ancient Town had a bar next to the reception desk, more for the convenience of the tourists rather than as an additional source of income. Operators pointed out

that these bars did not make money; they were there for guests who did not want to go out to buy drinks. “The bar is for guests to relax in the yard. Only very occasionally will they order some coffee or beer. It’s for their convenience, not extra money. My guests suggested it” (Dali home inn operator 4). Another home inn operator offered a similar comment:

The bar doesn’t make any money. It’s there just for the convenience of our guests. They can buy beer, coffee, and tea if they don’t want to go out in the evening. We sell beer and coffee that are different from what the supermarket carries, so that our guests can have a wide range of choices. (Dali home inn operator 1)

A major factor impacting the further development of the home inn industry in Dali was the increasing frequency of homeowners canceling leases with little or no advanced notice. Because the housing prices in Dali city were skyrocketing, many landlords were unilaterally breaking their leasing contracts when offered a good price for their houses. The penalty for breaking a contract was very minimal and did not compensate the operators for their losses. This phenomenon heavily affected their confidence in running their businesses. Heshun Ancient Town did not have this issue because the land was community owned and could not be sold or transferred to non-local residents. Moreover, most of the home inn operators in Heshun were local residents who owned their houses.

4.1.1 Why Residents Participated in the Home Inn Industry in Dali Ancient Town

The home inn industry in Dali Ancient Town is well developed and has attracted many people from different places all over China. Operators gave various reasons for their participation in the home inn industry. Some had a passion for the work, some wanted to escape from busy city life, and some simply loved the environment in Dali Ancient Town—the physical surroundings, the weather, and the community. The low risk, in investment terms, was also a factor for some of them.

Operating a home inn in Dali has always been one of my dreams. I wanted to escape the bustle of city life and have a less stressful day-to-day existence, so I chose to operate this home inn with my friends. (Dali home inn operator 1)

There is no particular reason why I operate a home inn. I actually planned to move to Dali because I like the physical environment, and this area has nice weather. I love it here. At first, I couldn't find a suitable house. Finally, I found this one, but it was too big and the rent was too high for me. I decided to turn it into a home inn so that I could afford the rent. (Dali home inn operator 4)

Although people gave various reasons for participating in the home inn industry in Dali Ancient Town, earning money was not the primary factor. As one operator commented:

Earning money is not the first thing that I considered. You know, it takes a long time to make your investment back when you're operating a home inn. If you're going to depend on earning money this way, you have to own the house, because rent and décor and maintenance require a lot of money. (Dali home inn operator 3)

All of the home inn operators interviewed had quit their previous stable jobs in large urban centres to operate home inns in Dali. Although many local people had the impression that operating a home inn was a financially lucrative business, operators in Dali pointed out that home inns have a slow rate of return on investment. They also experienced a significant amount of anxiety, as the home inn industry market there is fiercely competitive. According to the operators interviewed for this study, running a home inn in Dali can be profitable and pleasurable, but also stressful.

Despite the pressures, operators also identified several benefits of their work. The majority of operators felt that operating a home inn provided them with a relaxed lifestyle and allowed them to enjoy their lives. One operator said, "I've had a more relaxed life and more leisure time since I began operating my home inn. The weather conditions in Dali are also much better than in Shanghai" (Dali home inn operator 3). A female home inn operator in Dali Ancient Town stated:

My mindset has changed since I began operating a home inn in Dali Ancient Town. This place gives me a chance to have a very slow life, and it enables me to make friends with my guests, who come from different Chinese provinces. (Dali home inn operator 4)

4.1.2 Government Support for the Home Inn Industry in Dali

The Dali local government has supported the development of the home inn industry through the creation of policies to guide it in positive directions. The tourism department in Dali city not only has provided management guidelines for the home inn industry, but also has created a rating system, assessing a home inn's size, quality of customer service, and quality of management. The purpose of rating home inns was to standardize management quality and price, so as to boost the growth and development of Dali's home inn industry (Dali official 1). An additional, and related, goal was to encourage home inns to consistently offer a high level of service and management. All officials interviewed for this study mentioned that tourism in Dali has undergone a transformation—the town has shifted from sightseeing destination to holiday destination—and that the home inn industry has played an important role in this change. Specifically, home inns have helped solve the problem of insufficient accommodation in Dali Ancient Town. Hence, the government has strongly supported the development of this industry.

The service industries now constitute a large proportion of China's economic structure, so various businesses in these service industries have appeared in tourist locations. The home inn industry is one of the most dynamic and creative components of the service industry, playing an important role in economic development. It is also very sustainable, reusing vacant houses and other buildings. And it offers local residents many opportunities to participate in tourism development and earn more money. The home inn industry also affects local residents' impressions about the importance of providing good service in the tourism industry. (Dali official 2)

Although Dali's local government expressed their support for the development of the home inn industry, operators received no governmental support and were unaware of policies that might benefit them. They emphasized that they had to start their businesses from scratch,

without anyone's help. Some noted that although no department specifically managed the development of the home inn industry, many departments would assess fees or penalties after a business was successful. Dali operators hoped for an association that would manage the home inn industry and guide its development. At the time of this study, Dali had the Home Inn Association, a non-governmental organization (NGO), which was nonetheless run by government officials and had a government official as its president. None of the operators interviewed in Dali Ancient Town had heard of this association.

4.2 Overview of the Home Inn Industry in Heshun Ancient Town

Tourism in Heshun Ancient Town has grown in recent years, and more and more local residents have chosen to participate in the home inn industry. Compared to the home inn operators in Dali Ancient Town, operators in Heshun Ancient Town were mostly older, retired, local residents who owned their home inn buildings (Heshun official 1). They were also very outgoing and willing to talk with tourists. The majority had additional sources of income, such as farming and/or pensions. Most of the home inns in Heshun had simple décor and were made with wood and red bricks, rather than the cement used in Dali. Tourists in Heshun were primarily couples from 30 to 50 years old and often travelling with their children.

Heshun Ancient Town had a Residential Building Association NGO, run by local residents rather than government officials (as in Dali). However, home inn operators said the association did not make any effort to help them promote their businesses. Notably, the chairman of this association left Heshun Ancient Town and leased out his home inn to a non-local investor.

Property in Heshun Ancient Town was community owned and could not be sold or transferred to non-local residents. Non-local residents who wanted to operate home inns could

only lease properties from local residents, whereas locally resident operators all owned their houses (Heshun official 1).

4.2.1 Reasons Residents Participated in the Home Inn Industry in Heshun Ancient Town

Home inn operators in Heshun Ancient Town received government support, and this factor influenced their decision to participate in the home inn industry. However, operators also chose to participate because operating home inns posed minimal challenges, and because they were retired. For seniors, operating a home inn was much easier than running other types of businesses. Older people who owned houses in good locations could earn money without having to leave their homes, and operating a home inn required less investment than other businesses. Retired residents had plenty of time to manage their home inns. Moreover, operating a home inn did not significantly impinge upon their private leisure time—indeed, some operators had more leisure time than in previous jobs. One operator chose to participate in the home inn industry in Heshun because he was drawn to the town’s culture and peaceful lifestyle. Another mentioned that heritage preservation—in the form of protecting the old houses in which some of these inns were located—was also a factor in her participation in this industry:

I moved back to Heshun Ancient Town with my husband after we retired. This house is 80 years old, and we made it into a home inn was because we wanted to protect it. If the house is inhabited, it will be properly maintained. For example, people will open the windows often, to allow air to circulate, and this will maintain the humidity, which is good for the construction materials. This house is made of wood, so if it were empty for a long time, the wood would decay more rapidly. (Heshun home inn operator 1)

Home inn operators also benefited in various ways, including having more leisure time and making more friends. For example, an operator mentioned that:

Operating a home inn is not difficult work; it is very easy. And you can make a lot of friend without going out. I have many returning guests, and I have become friends with all of them

... I also have more leisure time to spend with friends since opening this home inn. (Heshun home inn operator 2)

4.2.2 Government Support for the Home Inn Industry in Heshun

Many local residents were involved in the home inn industry in Heshun Ancient Town due to the support provided by both the regional Tengchong government and the local Heshun government. Hence, more and more local residents who owned houses in good locations were participating.

The regional and local governments supported the home inn industry because they did not want local residents to move away in search of jobs, leaving the Ancient Town sparsely populated and lifeless. The governments also backed the home inn industry to enhance the development of local tourism and increase local incomes without residents having to leave the community to find employment. Two officials noted the following:

Home inns attract more tourists to Heshun Ancient Town, which enhances the development of local tourism. The government came up with a slogan encouraging local residents to shake off poverty and improve their standard of living. Operating home inns offers local residents a good opportunity to participate in tourism development and increase their income. Hence, they can have a better life by earning more money. (Heshun official 3)

The local government is making efforts to improve living standards so as to help residents climb out of poverty. Home inns can let retired or disabled seniors make a profit at home. Moreover, the tourism industry has brought many financial benefits to Tengchong. (Heshun official 2)

The regional Tengchong government and local Heshun government have promoted the development of the home inn industry through various policies and financial support schemes. For example, they gave a direct subsidy to operators who renovated and converted their houses into home inns according to government requirements. The Tengchong government offered a

10,000 RMB¹ (1,644.7 USD) subsidy for each home inn having at least four double rooms with private bathrooms, and a 300 RMB (49.3 USD) subsidy for home inns that had at least four single rooms and a communal bathroom. The Heshun government also provided a 1,000 RMB (164.5 USD) subsidy for home inns with at least four double rooms with private bathrooms (Heshun official 1). However, the number of subsidies has decreased over time:

Early on, the Heshun government would give home inn operators a 500–800 RMB (82.2–131.6 USD) subsidy for a wooden house with double rooms that had private bathrooms. There were no subsidies if you built the house with cement or with ceramic tiles. Nowadays, there are no more subsidies, because there are already so many home inns in the Ancient Town. (Heshun official 3)

The regional Tengchong government also accorded local residents preferential treatment when taking out loans, offering them assistance not available to non-local residents:

Local residents who want to participate in the home inn industry can get a policy-based loan from the bank. The government helps them pay a certain amount of the interest. Generally, these policy-based loans are regarded as microfinancing (they are less than 100,000 RMB (16,447.4 USD). The government also provides business education classes for residents who want to run their own business. (Heshun official 2)

4.3 The Impact of the Home Inn Industry on Tourism Development

During the course of this study, home inns were considered a necessary element in the tourism industry of both towns because they had the potential to improve the availability of accommodation. Participants felt home inns had a positive influence on the development of local tourism by making it easier for tourists to find lodgings, improving the town's reputation, and enhancing the tourism infrastructure. If a destination had a good reputation but poor transportation and/or inadequate accommodation, tourists would be less likely to visit. Tourism was the main economic activity in both Dali and Heshun Ancient Towns, so a well-developed

¹ 1 USD equals to 6.08 RMB (February 20th 2014).

tourism industry had the potential to provide many economic benefits to the local residents, including higher incomes and more job opportunities. Participants in the two study locations identified numerous factors affecting the influence of the home inn industry on the areas' tourism economies (Table 3). There were three major factors including offering greater convenience for tourists, increasing awareness of the destination, and improving better tourism infrastructure; while different major factors combined with various elements.

Table 3. The impact of the home inn industry on tourism development

Greater convenience for tourists

- Solve the accommodation shortage
- Give visitors more time to spend in the Ancient Towns
- Offer tourists convenient, economical places to stay

Increased awareness of the destination

- Other scenic spots receive greater notice
- Tourism development is stimulated
- Local culture receives greater attention
- The atmosphere is less commercialized

Better tourism infrastructure

- Put unoccupied locations to good use
 - Improve other tourism businesses
 - Enhance service facilities
-

4.3.1 The Home Inn Industry's Impact on Tourism Development in Dali

The home inn industry has flourished in Dali, improving local tourism in many ways. More tourist accommodation is now available. Other scenic spots in and around Dali are now much better known and more visited by tourists. Home inns have also improved the tourism infrastructure and enhanced local economic development. All participants in this study agreed that home inns offered tourists alternatives to staying in expensive hotels. One Dali resident noted: "Home inns prevent big companies from dominating the accommodation sector in the Ancient Town. The high number of home inns also gives tourists many choices and makes it more convenient for them to find an economical place to stay" (Dali resident 1).

In some cases, home inns may have improved a town's reputation as a tourism destination. For example, Shuanglang village in Dali was transformed from a small, remote fishing village to a very popular tourism destination due to the home inn industry. Indeed, the room rates of home inns in Shuanglang village were much higher than those of five-star hotels in, for instance, Beijing. For example, the cost of a room at the Sun Palace home inn in Shuanglang village is 5,000 RMB (822.4 USD) per night, whereas the rate for a double room at the Beijing Shangri-La Hotel is 2,000 RMB (328.9 USD). Two home inn operators explained the benefit of home inns for their area:

Home inns boost tourism development. Not that many tourists visited Dali Ancient Town in 2007, but with the development of the home inn industry, more and more people have visited. Home inns really enhance Dali tourism, and they improve the reputation of other scenic spots in Dali city, too. (Dali home inn operator 1)

A good home inn can influence its guests' impressions of a city. Some tourists may fall in love with a place because of the home inn they stayed at. People's impressions of a place can be changed by their experience at a home inn. (Dali home inn operator 4)

The home inn industry in Dali was an essential element of the area's tourism, both improving the local tourism infrastructure and integrating "with other tourism sectors, such as tour guide services and catering" (Dali official 1). The development of the home inn industry also made it possible for more local residents to benefit from tourism (Dali official 1). In addition, the home inn industry helped develop Dali's economy in a sustainable direction:

The home inn industry is very sustainable because it uses vacant houses and other unused spaces. It also offers local residents numerous opportunities to participate in tourism development and earn more money. Plus, the home inn industry raises local residents' awareness about the importance of providing good service to tourists. (Dali official 2)

4.3.2 The Home Inn Industry's Impact on Tourism Development in Heshun

Although the home inn industry in Heshun Ancient Town developed much later than the home inn industry in Dali Ancient Town, it has also already brought enormous benefits to the development of the local tourism industry. There were fewer hotels in Tengchong county than in Dali city, but the tourist population in the former was 500,000–600,000 per year. Hence, the town could not satisfy tourists' accommodation needs. Home inns in the Ancient Town helped to solve this accommodation shortage and make it more convenient for tourists to stay in the Ancient Town. An official in Heshun said, “Home inns in Heshun can relieve the pressure of accommodation during the peak season and increase local residents' income. Home inns are also becoming important tourist attractions” (Heshun official 1).

Without home inns, visitors won't come to the Ancient Town. When tourism here was just beginning, there were only 40 to 50 home inns in the community, and each one had only 4 to 5 rooms. Now, though, we have over 10,000 tourists during the peak season—we can't keep up with the demand. Some visitors have actually had to sleep on living room floors. But this won't happen anymore because Heshun now has more and more home inns. (Heshun official 3)

After tourism began to flourish in Heshun, some areas became very commercialized, as various entrepreneurs tried to make a “fast buck” with souvenir stores and other shops. Tourists who preferred to experience the natural scenery and local customs were dissatisfied. But compared to other tourism-related businesses, home inns contributed less to the commercial atmosphere of the Ancient Town, as they still focused on promoting a relaxed ambience rather than on making money (Heshun official 2). The home inn industry also meant that more and more local residents were able to earn money in the community instead of moving away; so, Heshun retained the vibrant, traditional customs and atmosphere of an Ancient Town (Heshun official 1). Consequently, tourists still had the opportunity to experience traditional local

customs. The home inn industry thus has had less of a negative impact on the development of local tourism than other tourism-related businesses in the Ancient Town.

The home inn industry has also boosted aspects of the tourism infrastructure, such as roads and public transportation systems. The Tengchong and Heshun governments have invested significant money and time to improve the tourism infrastructure of this region, because the home inn industry has brought more and more tourists to Heshun Ancient Town. As one official pointed out:

The development of the home inn industry has also resulted in better food services and shopping, because travelers want to shop and eat while visiting the Ancient Town. Hence, the home inn industry has led to improvements in the tourism infrastructure. (Heshun official 2)

4.4 The Impact of the Home Inn Industry on both Communities

Home inns not only benefited local tourism but also had a positive influence on the local communities. A majority of study participants agreed that home inns had a good impact on the development of their communities. Their responses indicated that this positive influence could be divided into four major categories: cultural, knowledge, economic, and environmental. Each category included various other factors (Table 4).

Table 4. Summary of how the home inn industry benefits community development

Culture
Cultural exchange
Cultural integration
Knowledge
Information exchange
Broadens residents' horizon
Promotes open and inclusive minds
Improves personal qualities
Economy
Increases residents income
Environment
Improves sanitation
Improves living conditions
Improves the town's appearance

Although some participants in Dali and Heshun pointed out negative effects of the home inn industry on their local communities, they maintained that the positive effects were more significant. The negative effects were divisible into two categories: environmental and economic (Table 5). Many participants said that the negative effects were minimal and depended upon the individual home inn operator.

Some operators may aim to make money and don't care about environmental protection or cultural exchange. These home inns will have a negative effect upon their communities because the operators are driven by commercial interests. So, they will lack an awareness of the need to protect the local environment or local traditional culture. (Dali official 2)

Table 5. Summary of negative effects of home inns on community development

Environment
Noise disturbing the residents' lives
Crowding in the Ancient Town
Pollution of the natural environment through sewage and other waste
Economy
Higher cost of living

Although participants in the two study locations all were aware of the influence of the home inn industry on their communities, various stakeholders focused on different benefits and drawbacks. For example, participants in Dali were more aware of the cultural sector than participants in Heshun. However, all participants agreed that the home inn industry increased the local cost of living, which added to their daily stress. Nonetheless, although tourism development had some negative effects upon the community in the environmental sector, such as increasing the population and therefore the sewage level, participants in general said home inns did not have an especially negative influence on the environment compared to other businesses.

4.4.1 The Impact of the Home Inn Industry on the Dali Community

Compared to participants in Heshun Ancient Town, those in Dali Ancient Town focused more on the cultural benefits of the home inn industry. Since the majority of residents in Dali

were of Bai ethnicity, cultural exchange and integration had more impact on their lives. The home inn industry drew many tourists to Dali Ancient Town, and these visitors brought new information and cultures, which broadened local residents' horizons. This did not lead to cultural conflicts, as people of Bai ethnicity are very culturally inclusive. The home inn industry also improved local economic development, as it stimulated other tourism-related businesses. However, the home inn industry also had a few negative effects on the local community: (1) it increased levels of noise, crowding, and pollution, and (2) it drove up the cost of living.

The majority of study participants in Dali acknowledged that the home inn industry had an impact on the culture of the local community. One Dali official stated, "Home inns have brought different information and cultures to the local community and have enhanced cultural exchange" (Dali official 3). Another official likewise said, "Home inns expose local residents to other cultures and information from outside the community" (Dali official 2). One Dali resident noted, "Home inns may help to promote the Bai culture because operators can introduce tourists to different Bai festivals and customs" (Dali resident 3). Another resident remarked: "The pace of life in Dali is very slow, and many home inns reflect this. They also decorate their rooms in traditional Bai style, something that a lot of tourists come here to experience" (Dali resident 1).

The influx of non-local investors wishing to run home inns in Dali Ancient Town has also exposed the community to various cultures. However, cultural conflict seemed to be absent, as the Bai are very inclusive of other cultures.

Even though tourism development has brought other cultures to Dali, we haven't experienced cultural conflict, because the Bai are very accepting of others. Bai culture has been influenced by other cultures since the Song Dynasty (around A.D. 960). The Bai people have a spoken language but no written one, and this is because of our inclusiveness. Although other, more progressive, cultures assimilated aspects of our Bai culture, we also learned from them. (Dali resident 2)

Participants in Dali also strongly agreed that home inns could improve information exchange and broaden residents' perspectives. A local resident pointed out: "With the development of tourism, local residents are exposed to a multicultural environment that can broaden their horizons and give them more chances to communicate with tourists from different provinces" (Dali resident 2). An official in Dali Ancient Town also praised home inns for bringing different information and cultures to the community and enhancing cultural exchange, which enabled local residents to have more open and inclusive minds (Dali official 3).

The home inn industry has definitely brought various economic benefits to the Dali community. One Dali resident said, "Home inns are attracting more and more tourists to Dali Ancient Town, leading to economic benefits for the local community; the tourists need to eat, and they buy things as well" (Dali resident 2). Many participants said that the home inn industry directly benefited operators, as well as residents who rented houses to operators. In addition, operators noted that home inns stimulated the local economy by offering more opportunities to local residents involved in tourism development.

The home inn industry promotes tourism development. It draws many tourists to Dali Ancient Town, in turn stimulating related businesses, such as restaurants, taxis, and tourism agencies. These businesses are mostly operated by local residents; so, the home inn industry has a positive influence on various tourism-related enterprises and improves local residents' quality of life. (Dali home inn operator 4)

However, some study participants felt that the development of the home inn industry had introduced negative environmental effects. One resident mentioned that the home inn industry had made the Ancient Town crowded and noisy, destroying its formerly peaceful ambience (Dali resident 3). A local government official pointed out that the negative environmental effects of the home inn industry were due to the environmental carrying capacity. Home inns attracted many

visitors, and if the home inn industry developed too fast, the community would not be able to deal with the resulting waste and sewage.

I have mixed feelings about the home inn industry. It definitely benefits the local economy, but it also increases the population in the Ancient Town and therefore causes environmental pollution. Large numbers of tourists can have negative impacts on the local environment. Recently, we had an algal bloom in Erhai Lake. Since there is no heavy industry in Dali, most of this water pollution is caused by raw sewage. I think this is due to the large number of home inns in Dali. I believe their number now exceeds the market demand. (Dali resident 3)

If the number of home inns exceeds the environmental carrying capacity, the home inn industry will definitely have a negative influence on local sustainable development . . . If the home inn industry in Dali Ancient Town develops without sufficient planning, as has happened in Shuanglang village—where practically every household is trying to become a home inn—then the home inn industry will destroy local sustainability by exceeding the environmental carrying capacity. Shuanglang village is very close to Erhai Lake. Because of the rapid development of the home inn industry in that village, Erhai Lake has become polluted by sewage and other waste. (Dali official 3)

One Dali official asserted that the negative environmental effects were the fault of industry mismanagement by the local government rather than the fault of the home inns. For example, the local government initially had not required home inns near Erhai Lake to treat their sewage before discharging it into the lake. Subsequently, the government has introduced, and enforced, this requirement to protect the environment. One Dali official expressed this opinion:

The home inn industry has had some negative effects on the environment, as it has led to more waste. But the home inn industry itself is not to blame. Social development is based upon economic development. Environmental awareness and care usually come only after an economy has been established and has stabilized. The economy of Dali Ancient Town was underdeveloped before the tourism boom. The home inn industry here is still very young and continues to develop. One cannot apply a first-world perspective to a developing province. (Dali official 2)

4.4.2 The Impact of the Home Inn Industry on the Heshun Community

Compared to Dali residents, people in Heshun had different opinions about the influence of the home inn industry on the local community. Residents in Heshun Ancient Town were more vocal about knowledge diffusion than about cultural exchange. Although the home inn industry had increased the cost of living, residents still felt that it brought numerous economic benefits to the community. No one described negative effects on the local natural environment; instead, respondents said that the home inn industry had improved local living conditions. A few participants mentioned that the home inn industry had caused noise pollution in some areas. But overall, the positive impact of the home inn industry outweighed its negative effects.

Most of the home inn operators in Heshun Ancient Town were local residents and seemed to be less sensitive to the influence of the home inn industry on local culture. One operator in Heshun noted, “The home inn industry does not have much of an impact on local culture. We were born here, and we must protect our traditional culture. But I am not aware of how non-local investors operate their home inns, or what kind of an influence their home inns have on the local community” (Heshun home inn 2).

Many residents in Heshun focused on the impact of the industry on the knowledge sector, such as information exchange and the resultant broadening of horizons for members of the local community. Among the three different stakeholder groups, home inn operators were the most sensitive to this “knowledge diffusion”. Local residents involved in tourism also benefited from the development of the home inn industry, because communication with tourists offered a chance for them to receive information from other communities. This contact broadened their horizons. One operator said, “The most obvious benefit of being in the tourism industry is that we gain more information about the world. We didn’t know about online advertising until some guests

told us about it; one even mentioned my home inn on the Internet" (Heshun home inn operator 1). Some participants pointed out that home inn operators benefited from communicating with various guests every day. "Home inn operators have to communicate with visitors, which contributes to information exchange and cultural integration. The home inn industry enables local residents to gain information without leaving home" (Heshun official 1).

The home inn industry allows more and more local residents to learn about the outside world, and sometimes this information even changes their lives. For example, many residents used to farm before the growth of the local tourist industry. Now, some of them operate home inns and therefore learn about the outside world because they talk with guests. Residents are also coming to realize that their local culture is now of interest in China, as more and more tourists come to visit the Ancient Town. (Heshun resident 3)

Economic development was a main factor in the Heshun local government's support of the home inn industry. In interviews, residents pointed out that the home inn industry had the potential to stimulate local economic development, including by improving their businesses and increasing their incomes (Heshun residents 1, 2). An official in Heshun also had the same perspective, asserting that the home inn industry increased the incomes of local residents involved in tourism (Heshun official 2). Tourists spent money on food and souvenirs, so in those respects the home inn industry certainly contributed to the local economic development.

Environmental issues are a top concern for tourism development in China. However, people in Heshun Ancient Town did not feel the home inn industry had a particularly negative influence on the natural or living environments. Residents interviewed noted: "Home inns do not have any negative effects on the local natural environment" (Heshun resident 1; Heshun official 2).

The architectural style of the home inn industry in Heshun Ancient Town was designed by the local government and the Bailian Corporation; various home inns have therefore become unique attractions in the Ancient Town. The home inn industry has no negative impacts on the local natural environment. It reuses existing properties in Heshun Ancient Town to

maximize economic benefits. In fact, the home inn industry is saving natural resources, compared to what would be required to construct a hotel. (Heshun official 2)

The home inn industry has also improved residents' living conditions and sanitation. Many study participants mentioned that previously, washrooms in houses were in poor condition and sometimes did not have flush toilets, so flies were everywhere. Raw sewage was discharged directly into rivers. However, with the rise of the home inn industry, every house in the town now has flush toilets and sewer service. Hence, washrooms are much cleaner. These changes have improved residents' standard of living.

Although the home inn industry appears to have enhanced local residents' living conditions in various ways, some study participants mentioned an increase in noise pollution. As tourists numbers have risen, so has the noise level, sometimes into the night. But overall, the home inn industry seems to have had little negative impact on the Heshun community.

4.5 The Home Inn Industry's Impact on Residents' Quality of Life

Aside from benefiting local tourism and the communities in general, the home inn industry has also had a positive influence on residents in both towns. Different stakeholder groups in this study pointed out that the home inn industry improved economic, cultural, and environmental aspects of residents' lives. All interviewed government officials agreed that the home inn industry had boosted residents' economic quality of life. However, the resident stakeholder group and the home inn operator stakeholder group that participated in this study voiced different opinions.

Operators in Dali pointed out the negative impacts of the home inn industry on their quality of life, while operators in Heshun pointed out the positive aspects. There seem to have been two main reasons for this difference. The first was related to the home inn operators'

economic base. Operators in Dali Ancient Town had neither a very solid economic base nor other strategies for earning a livelihood; room rentals were their only source of income. Moreover, most home inns were leased, potentially causing their operators to have less confidence in the long-term stability of their businesses than those who owned their home inns. Such concern was exacerbated by the phenomenon of lease-breaking that had become common in Dali Ancient Town.

In contrast, the operators in Heshun Ancient Town had a solid economic base. They did not rely solely on their home inn earnings, but derived additional revenue from pensions, farming, or other businesses. Hence, Heshun operators experienced less economic stress. Age also seems to have been a factor in determining which residents participated in the home inn industry. One thirty-one-year-old operator in Dali said, “I believe that 90% of home inn operators aim to make money” (Dali home inn operator 3). Most operators in Heshun, however, were seniors who preferred having more leisure time and were much less concerned about profit.

4.5.1 The Impact of the Home Inn Industry on the Quality of Life in Dali

The three stakeholder groups in Dali held various opinions on the impact of the home inn industry on local residents’ quality of life. Many home inn operators interviewed felt that the industry had negatively affected their quality of life. However, none of them regretted participating in the industry. They mentioned experiencing a great deal of stress, more than they had expected. But conversely, they were glad to be involved in the home inn industry because they preferred a slow life rather than one dominated by materialistic aspirations.

During interviews, residents said that the home inn industry did not have a major economic effect on their lives because they were also involved in other businesses. However, one resident said that home inns were attracting too many people to the Ancient Town, and he

disliked the rise in population. Everyone in the government stakeholder group agreed that the home inn industry could enhance local residents' quality of life. They mentioned higher incomes, more job opportunities, and more customers for other businesses. For example, an official in Dali said, "Local residents who benefit directly from the home inn industry have a better quality of life because their incomes increase. Plus, tourism development has boosted the number of household items available to local residents" (Dali official 3).

Operators' quality of life seems to have been affected more directly than that of other stakeholders. However, only half of the operators in Dali Ancient Town were satisfied with their quality of life in this study. The two key factors were stress and mood:

The income is unstable. I don't know what my future goals are. I'm confused. I don't know whether I can continue running this business or not. I preferred my previous life because I had fewer worries and less stress. Since getting involved in the home inn business, I'm stressed out by work and by life in general. (Dali home inn operator 2)

It's hard to say whether I'm satisfied with my current life or not; it depends on my mood. Some days, I'm in a good mood, so I feel my quality of life is pretty good. When I'm in a bad mood, that won't necessarily be the case. It's hard to say. (Dali home inn operator 3)

Some people might think that operating home inns is easy. However, some of the home inn operators interviewed for this study disagreed. They mentioned experiencing a lot of stress, sometimes more than when they had worked for an employer. Certain operators noted that running an inn had a negative effect on their lives. One operator in Dali Ancient Town said, "I'm dissatisfied with my current life, and that is because operating this home inn business has taken too much time away from my personal life" (Dali home inn operator 4).

Operating a home inn is still a job and so it's not easy. There's still a lot of stress. And the stress is different, and much higher, than when you work for other people. But overall, I'm happy to be operating my home inn. (Dali home inn operator 3)

Of course there is some stress in operating this business. Sometimes the stress is even greater than being a doctor. Working at a hospital involves tremendous pressure, but it's all work-related. You don't need to worry about your income or your personal life. However, as a home inn operator, I not only worry about making enough money, but I'm also stressed by the work. An operator needs to have a good relationship with guests, provide them with good service, constantly improve the inn's facilities, and pay attention to marketing. It's a full range of pressures. Really, a home inn operator must be very competent. He has to go to bed very late and wake up very early. He needs to know how to repair electrical appliances, clean sewage pipes, and wash bed sheets. I never did these things when I was at home. But here, I need to do everything. It's very tiring. In your hometown, you might have been very powerful and had a wide range of connections, so you could solve many problems simply by picking up the phone. But here, you have to do everything by yourself. (Dali home inn operator 1)

Sometimes I complain about being in the home inn business. But I think my quality of life is much better than when I lived in Shanghai. No matter where you are, there is always something to complain about. No situation is perfect. (Dali home inn operator 3)

Although operators in Dali pointed out various ways that the home inn industry had negatively affected their lives, they still felt home inns were necessary, and none regretted becoming involved. One operator who was dissatisfied with his life said, "I don't regret choosing to operate a home inn, because the home inn business was much more stable than other kinds of businesses" (Dali home inn operator 2). As previously noted, some of the non-local operators who came to Dali to operate home inns were not simply focused on moneymaking; instead, they preferred a slower lifestyle over material wealth. One operator said, "Operating this home inn has somewhat affected my quality of life. Yunnan province is underdeveloped, not as prosperous as Guangzhou city. But I am very satisfied; I enjoy living here. I don't care about material wealth. I think it all depends on your attitude" (Dali home inn operator 1).

4.5.2 The Impact of the Home Inn Industry on the Quality of Life in Heshun

Although many residents in Dali Ancient Town indicated that the home inn industry had not affected their lives and businesses, most participants in Heshun Ancient Town claimed that the home inn industry had had a positive influence on their quality of life. The home inn operators in Heshun were satisfied, apparently because they experienced less economic stress than operators in Dali.

During interviews, residents noted that the home inn industry had improved their businesses (Heshun residents 1, 2). The industry attracted many tourists, who bought food and souvenirs, injecting money into local enterprises. Government officials agreed that the home inn industry had the potential to increase local residents' quality of life in three areas: economic, cultural, and environmental.

Residents participating in the home inn industry can improve their quality of life by increasing their incomes and gaining access to a wealth of knowledge. The home inn industry improves residents' living conditions, too. For instance, these houses previously had no flush toilets, but now all of them do. (Heshun official 3)

All of the Heshun home inn operators interviewed for this study were satisfied with their current lives and noted the positive effects of the home inn industry on their quality of life. They enjoyed more leisure time (Heshun home inn operator 3). They also experienced less stress than operators in Dali, partly because they were local residents who used their own houses to operate home inns, and they had other sources of income. As one operator in Heshun pointed out, "I own this house, so I am under less pressure to make money than operators who rent from local residents" (Heshun home inn operator 2). Another Heshun operator concurred:

I own this house and I have a pension, so I don't experience any stress about operating this home inn. We don't rely on the money earned from the home inn. In a few years, we may close the inn if we are too old and don't have the energy to run it any longer. (Heshun home inn operator 1)

4.6 The Impact of the Home Inn Industry on the Cost of Living

Although the home inn industry has benefited local tourism and communities in Dali and Heshun, it has also increased the cost of living. Study participants in both Ancient Towns mentioned this problem. The large number of tourists seems to have been the cause for this rise. Apparently, many remote destinations in China have experienced a similar spike in living costs as tourism has increased. Most of the tourists are wealthier than the locals and therefore have more money to spend. Merchants set their prices accordingly, as they can make more money by selling things to tourists than to locals. However, local residents' incomes haven't increased in proportion to prices, so they are struggling to keep up. Residents who do not benefit from tourism development have significant complaints in this regard.

The rising cost of living has raised concerns among residents and in the local governments. One Heshun resident said, "The cost of living rises in proportion to tourism development. The faster tourism develops, the quicker the cost of living increases. And the high cost of living creates a lot of stress for residents" (Heshun resident 3).

Although local residents have higher incomes and better living conditions than before, the cost of living has also increased dramatically in recent years. Food prices here are even higher than in cities. To buy half a kilogram of lean meat, you pay 17 RMB (2.8 USD) in the Ancient Town, but in the city it will only cost you 14 RMB (2.3 USD). A long time ago, you used to be able to buy land at 300 RMB (49.3 USD) per square meter. Now, the cheapest land is at least 3,000 RMB (493.4 USD), and some lots are over 5,000 RMB (822.4 USD) per square meter. (Heshun official 3)

I asked a taxi driver who was a local resident, "Has the increasing number of tourists in Dali been good for your business and life?" He said, "Yes, the economy has grown, but our cost of living has also increased." I also feel that the cost of living has risen significantly in the past two years. (Dali home inn operator 1)

I worked in a hotel. The development of the home inn industry has affected the hotel business in the Ancient Town, because more and more tourists now prefer to stay in home inns instead of upscale hotels. Home inns have really increased the competition in the hospitality

industry. This phenomenon has affected my annual bonus, because it depends on the hotel's occupancy rate. Plus, with the development of the tourism industry in Dali, the cost of living has really increased, yet we haven't had a raise for a long time. I think it's rather difficult for young people to live in Dali now; it's too expensive. (Dali resident 3)

4.7 The Impact of the Home Inn Industry on Poverty Reduction

Yunnan province used to be one of the poorest provinces in China because of its mountainous geography, which was not suitable for large-scale farming. Many communities in Yunnan province were also isolated from the outside world because transportation was inconvenient. The level of economic development was low. Residents struggled through many years of drought, which had destroyed their crops.

Local governments in remote areas of China have aimed to improve local residents' quality of life by reducing poverty. Since tourism has become a key industry in Yunnan province, many communities have freed themselves of poverty. As many participants in this study pointed out, the home inn industry has the potential to increase residents' incomes, provide more job opportunities, and enhance other tourism-related businesses. Hence, the industry should also reduce local poverty. Most of participants in Dali and Heshun Ancient Towns agreed and noted various ways that the home inn industry has indeed contributed to poverty alleviation.

4.7.1 The Impact of the Home Inn Industry on Poverty Reduction in Dali

Participants held various opinions on whether the home inn industry reduced poverty in Dali. Although several agreed that home inns exerted a positive influence by increasing residents' incomes, many operators did not believe that home inns could contribute to alleviating local poverty, because only a small group of residents could achieve economic benefits. Participants also mentioned that there were no home inn associations, so operators could not collaborate effectively to help alleviate poverty in their areas. However, some participants

pointed out that the industry contributed at a microeconomic level; the number of those who benefited might be small, but the industry nonetheless helped to lift some residents out of poverty. All participants did agree that the industry stimulated local economic development.

Although we hire some local people, they form only a small proportion of the industry's beneficiaries. I think house owners benefit most from the home inn industry, because of rental revenues. We also don't have any home inn associations or alliances. If we had such an association, we could donate money to it, and then all the donations could be put towards local projects, like helping local neighborhoods improve their school facilities, or contributing to other community projects. (Dali home inn operator 1)

I rent this house to operate a home inn, and I have paid three years' rent to the property owner. He borrowed money from others to build this house, and now he can pay off his debts. I have reduced his economic stress by paying the rent for three years. My home inn also has the potential to spark economic development in the community. There are restaurants and furniture stores nearby, and they can benefit from my business. When I was setting up this home inn, for example, I had to purchase a lot of furniture. Once I had opened my business, guests needed to have lunch or dinner, so they went to local restaurants. That's how my home inn has enhanced other businesses. I also hired a local resident to do housecleaning. Although I can only offer one job to one local resident, and the salary isn't very high, this still has a positive effect on the local economy. (Dali home inn 3)

Government officials in Dali agreed that the home inn industry could reduce local poverty. One said that the industry played an important role in sustainable economic development because it was one of the most dynamic and creative components of the various service industries (Dali official 2). This official pointed out that the home inn industry contributed to poverty reduction by attracting large amounts of investment.

The home inn industry is a sustainable business, because it uses vacant houses and unoccupied properties. Home inns also offer enormous economic benefits to local residents. Many non-local investors invest large amounts of money to run home inns. These investments end up improving the local community in the form of, for example, new roads and better facilities. The home inn industry can also provide local residents with many job opportunities and thus increase their incomes. Plus, the home inn industry also offers a massive amount of money to local residents who own houses. These residents can improve their incomes and quality of life by renting out their houses to home inn operators. Without their home inn

industries, some remote communities would have remained isolated for a long time. (Dali official 2)

4.7.2 The Impact of the Home Inn Industry on Poverty Reduction in Heshun

Unlike in Dali, all study participants in Heshun Ancient Town agreed that the home inn industry contributed directly and indirectly to poverty alleviation. Although one operator stated it was hard to say whether the industry had had a positive impact on poverty alleviation, he did not deny that home inns stimulated the development of other tourism-related businesses and increased other residents' incomes (Heshun home inn operator 2). During interviews, government officials pointed out that (1) the home inn industry increased a destination's reputation and (2) growing numbers of tourists were visiting Heshun Ancient Town. Hence, the home inn industry has the potential to stimulate other tourist businesses and offer more opportunities for local residents to increase their incomes.

Home inns can attract more tourists to the community. Visitors then spend more time and money—they want to eat local delicacies and buy souvenirs. Residents who participate in tourism businesses thus will make more money as the local tourism industry develops. (Heshun home inn operator 3)

Local tourism has experienced good growth in recent years. 95% of local residents participate in the tourism industry. Regarding yearly income, our company [which has a 40-year contract for tourism resource development in Heshun] had just 10% profit, whereas local residents participating in the tourism industry achieved 90% profit. This is because we only make money on entrance fees, whereas residents profit from selling souvenirs and local delicacies. Our company provides some local residents with stalls for selling souvenirs or jade. These local people used to be farmers before the growth of tourism, but now they have the opportunity to sell things in their spare time and earn more money. The development of the tourism industry can drive the development of home inns and other tourism-related industries. Our company has more than 500 employees, 85% of whom are local residents. Local residents' incomes have increased every year since tourism became popular. (Heshun official 1)

Chapter 5: Conclusion and Discussion

This study has investigated sustainable tourism in two rural Ancient Towns in southwest China through the lens of the home inn industry. Assessing sustainable tourism includes considering community involvement (Cole, 2006) and quality of life (Kim, 2002; Enea & Tanasoiu, 2009). The home inn industry in the two areas under study has been a way for local residents to participate in tourism development and improve their quality of life. Some local governments in China have directed their attention to sustainable tourism development, but most have focused on environmental aspects. This study analyzed sustainable tourism through an examination of the home inn industry, and it has made the following contributions: (1) a better understanding of sustainable tourism development in rural China, (2) insights into how the home inn industry has affected local development, (3) details of how the home inn industry has differently affected two Ancient Towns, and (4) information on the relationship between the home inn industry and sustainable tourism.

Dali Ancient Town and Heshun Ancient Town were selected as the study sites because they had certain similarities, but also differences. The similarities included the following: (1) tourism had become a main driver of local development, (2) more and more local residents were participating in the tourist industry, (3) various home inns in these two Ancient Towns had attracted the notice of tourists, and (4) despite the fame of these Ancient Towns, the residents' average socio-economic level was lower than the national average. The differences can be summarized as follows: (1) the two study areas experienced different tourism development patterns, as Dali's tourism was controlled by the local government whereas Heshun's was contracted to a large, private tourism company; (2) tourism was at different stages in the two study locations—Dali's was stagnating, while Heshun's was growing; (3) most of the residents

in Dali were from the Bai ethnic minority, while most of the residents in Heshun were from the Han majority; (4) many of home inns in Dali were operated by non-local investors, whereas more home inns in Heshun were operated by local residents.

Data was collected through semi-structured interviews of three stakeholder groups to gain comprehensive information about the development of the home inn industry in Dali and Heshun Ancient Towns. The findings suggest that stakeholders held a variety of opinions on the development of the home inn industry, and placed different emphases on the industry's influence. For example, home inn operators focused on their quality of life—they felt they had better lifestyles and more leisure time than before becoming operators. Government stakeholders, on the other hand, focused on how the home inn industry stimulated local economic development. Stakeholders in the two study locations sometimes had different opinions on the same issue. For example, when asked about the benefits of the home inn industry for community development, government stakeholders in Dali emphasized knowledge mobilization, whereas government stakeholders in Heshun emphasized environmental improvement.

The goal of this research was to identify how the home inn industry has contributed to sustainable tourism development in rural China. The following objectives guided the research:

- To understand significant factors affecting local residents' participation in operating home inns;
- To understand how operating home inns affects the local quality of life;
- To understand the role of home inns in reducing poverty; and
- To understand the relationship between the home inn industry and sustainable tourism.

Dali home inn industry was thought to be more developed than Heshun's home inn industry due to more advanced tourism development. However, this research proves that Heshun home inn industry is more advanced. The home inn industry in Dali has grown in a rapid and disorderly fashion. For example, none of the home inn operators in Dali knew that the government had initiated policies to promote the development of the home inn industry. In addition, lease breaking was a very serious issue in Dali, undermining many operators' faith in the running of their businesses. In contrast, the home inn industry in Heshun developed much more smoothly. Most home inn operators in Heshun knew that the local government supported their industry. In addition, lease breaking was not an issue, because most operators were local residents who owned their houses, and the land was community owned and thus could not be sold or transferred to non-local residents.

This chapter summarizes this study's research findings, including factors affecting participation in the home inn industry, relationships within the industry, operators' quality of life, and poverty alleviation. I compare my findings to other scholars' research and note the similarities and differences. I then offer recommendations to inform the creation of policy and management strategies, so that China's home inn industry can develop in a healthy and orderly direction. I also point out the limitations of this study and make recommendations for future research.

5.1 Factors Affecting Resident Participation in the Home Inn Industry

This study found that the main motivation for operators in both Dali and Heshun Ancient Towns was not profit, which contradicted other scholars' findings. Earlier research found that residents participating in the home inn industry, especially in rural places, did so to increase their income (Gu & Wong, 2006; Nyaupane et al., 2006; Yahaya & Rasid, 2010; Kayat, 2010; Anand

et al., 2012). Although the home inn industry could enhance an operator's income in Dali or Heshun, earning money was not a major factor for these residents. This was probably because most operators already were sufficiently well off. Many operators in Dali were non-local investors who came from richer provinces. In Heshun, most of the home inn operators were retired seniors who had other sources of income. Hence, in both towns, making more money was not a key motivation to participate in the home inn industry. Instead, operators were seeking a relaxed lifestyle and more leisure time in which to enjoy their lives.

The research framework shows that government support is a main factor in residents participating in the home inn industry. However, this research proves otherwise. Razzaq et al. (2011) showed the potential importance of government support in enhancing local residents' involvement, improving community structure, and designing a strategic planning for tourism development. Yet although the results of the present study showed that the local governments in Dali and Heshun strongly supported the development of the home inn industry, none of operators received practical help from their local governments. The regional government in Tengchong invested a large sum to upgrade community facilities, but home inn operators did not think these improvements benefited their businesses.

This research also found out that minority was not a factor for residents participating in the home inn industry. Although people of the Bai ethnic minority formed the majority in Dali city, most of the home inn operators were non-local investors rather than local Bai residents. The majority of home inn operators in Heshun were retired local seniors, as previous researchers had found (Gu & Wong, 2006; Razzaq et al., 2011), because this type of resident had more free time to spend on managing a home inn.

5.2 The Relationship between the Home Inn Industry and Quality of Life

This study showed that the home inn industry enhanced local tourism and community development. It also improved local residents' quality of life in various areas, including cultural, economic, and environmental. The home inn industry affected different stakeholder groups to varying degrees. This research found that the quality of life of home inn operators and house property owners was more positively affected by this industry than that of other residents in these two tourist destinations. However, the home inn industry also had negative effects on residents' quality of life, primarily the increased cost of living, which created stress and hardship for some of the towns' residents.

The home inn industry contributed to the economic, cultural, and environmental aspects of local development in both towns. The industry fueled other businesses and offered more job opportunities to local residents, helping them increase their incomes. It also acted as a platform for cultural exchange and information mobilization. Another, not inconsiderable, contribution was to improve local sanitation and related living conditions by introducing flush toilets in houses and requiring a better sewage disposal system. Nonetheless, those who benefited most directly from the home inn industry were the operators and house property owners.

The industry's effect on the cost of living was the most pronounced drawback for the local communities. Although home inns improved their communities' infrastructure and increased some local residents' incomes, home inns drove up the cost of living dramatically. Hence, residents who did not directly benefit from the industry had more negative views about it than residents who had benefited from its growth. These observations are similar to those of William and Lawson (2001), who found that residents were more interested in tourism development if they could expect to financially benefit from it.

The results were the same as in Leh and Hamzah's study (2012), which found that local communities involved in tourism development could experience improved quality of life in the economic, social, and environmental aspects of their daily existences. Although "quality of life" has multiple definitions and is arguably not quantifiable, the results of the present study showed that the home inn industry could improve local residents' quality of life in the cultural, environmental, and economic sectors—which various scholars studying quality of life agree are the three sectors of most significance (Hobson & Dietrich, 1995; Kim, 2002; Moscardo, 2009). The findings also show that the home inn industry had positive impacts on the local communities and on tourism development, as Leh and Hamzah (2012) found in Malaysia.

This study determined that local residents, especially seniors, had strong feelings about their immediate environment, a finding similar to that of Gu and Wong (2006). Participants in Heshun Ancient Town mentioned that the development of the home inn industry had improved their living environment. These senior residents were arguably more sensitive to environmental improvements because they had lived in the town from birth (Gu & Wong, 2006). However, these senior residents were also very sensitive to the increase in noise pollution, which some argued was a drawback to the home inn industry.

This study showed that the home inn industry directly affected operators' quality of life. All home inn operators interviewed said their home inn business had affected their quality of life, and that they were currently satisfied. This verified the findings of Andereck and Nyaupane (2011b) and Kim (2002), who asserted that quality of life can be measured by people's satisfaction with their current life, or their sense of fulfillment about their overall circumstances and accomplishments. Since most home inn operators in the two destinations were not primarily motivated by making money, economic issues were not major factors in their quality of life.

Instead, having leisure time and a relaxed lifestyle were more important for the home inn operators in this study. These findings differ somewhat from those in other studies. For example, Nyaupane et al. (2006) stated that economic benefit was one of the motivations for residents to participate in the home inn industry. Yu et al. (2011), however, found that greater economic benefits did not always result in a better quality of life for residents.

5.3 The Relationship between the Home Inn Industry and Poverty Alleviation

Different stakeholder groups held various opinions on the impact of the home inn industry upon poverty alleviation. Many operators in Dali disagreed that the industry alleviated poverty, because they believed it offered economic benefits to only a small group of residents. However, local government officials in Dali felt that the industry played an important role in the development of a local sustainable economy and contributed to poverty alleviation in many ways. All participants in Heshun Ancient Town felt that the home inn industry had a positive influence on poverty. Overall, the home inn industry contributed to poverty alleviation at the microeconomic level by helping a small group of residents makes enough money to escape from poverty.

In this study, home inns were shown to have had positive effects on local economic development by providing more job opportunities, increasing local residents' incomes, and stimulating other businesses. Although the home inn industry brought different levels of economic benefit to the various stakeholder groups, property owners who rented their houses to home inn operators benefited most directly in terms of poverty alleviation, as they received large sums in rental revenue each year.

Some researchers have examined the relationship between poverty alleviation and tourism development. Bowden (2005) pointed out that lack of opportunity is one factor that

causes and perpetuates poverty. Acharya and Halpenny (2013) have shown that not everyone has the same opportunities to be involved in tourism development in rural areas. However, all participants in this research study remarked that everyone in Dali and Heshun Ancient Towns had the same opportunity to operate a home inn. Nonetheless, start-up capital was a potential problem for some local residents.

This research found that the home inn industry could increase residents' income, provide more job opportunities, and stimulate other businesses in the destination towns. These findings reinforce those of other scholars: Bodern (2005) asserted that tourism development could reduce poverty directly and indirectly by offering more job opportunities to low and unskilled labor forces, especially to women; Leh and Hamzah (2012) found that tourism contributed to poverty reduction by increasing job opportunities and creating business opportunities for local residents.

5.4 The Relationship between the Home Inn Industry and Sustainable Tourism

This research indicates that the home inn industry can contribute to sustainable tourism development in many ways, although it may require some modifications to do so. The findings of this research showed that the home inn industry improved residents' quality of life and increased their income, while having minimal negative effects on the environment and local culture. Other scholars' research has pointed out that sustainable tourism should improve residents' incomes (Bloyer et al., 2004; Choi & Sirakaya, 2006) and quality of life (Kim, 2002), and has a minimal negative impact on environment and culture (Anand et al., 2012). Moreover, this study also found that local governments had development-related policies and regulations for the home inn industry, which refuted Choi and Sirakaya's study (2006) that sustainable tourism development in developing countries often developed in national context instead of regional

context. Hence, the home inn industry in Dali and Heshun contributed to local sustainable tourism development in those towns.

This research showed that the home inn industry had a positive influence on the cultural sector. The industry worked as a platform for cultural exchange and knowledge mobilization, which reinforced other scholars' findings that home inns could create strong social cohesion in the community (Kayat, 2010) and reduce cultural conflict (Williams & Lawson, 2001; Kim, 2002; Andereck et al., 2005). These met some of the requirements identified by scholars of sustainability, namely that sustainable tourism should not have a negative influence on the socio-cultural aspects of a community (Bloyer et al., 2004; Choi & Sirakaya, 2006).

Although the home inn industry in the two study towns contributed to sustainable tourism development, the industry still needed to undergo some changes to maintain its vitality. For example, the average age of operators in Heshun Ancient Town was over 47—the same as Razzaq et al. (2011) had found in their study. If the home inn industry in Heshun Ancient Town is to develop sustainably, young people should be encouraged to become involved.

5.5 Recommendations to Inform the Creation of Policy and Management Strategies

Although the home inn industry in these two Ancient Towns had improved the development of local tourism and had a positive influence on the local communities' development, there were still some problems. For example, there were no standard room rates, so the price varied widely between low and peak seasons. In addition, there was no organization overseeing the quality of home inns. Home inn operators' attitudes also affected the relationship between the home inn industry and sustainable tourism development. For instance, some operators were concerned about preserving and promoting the local cultures and environment, while others were only concerned about their own well-being. Some home inn operators pursued

a quick profit by raising their room rates during the peak season and reducing them during the off season, causing a vicious cycle of room rates. For example, some would raise the rate to 500 RMB (82.2 USD) per night during the peak season, then reduce the price to 100 RMB (16.4 USD) per night in the low season. Such fluctuations deterred some tourists from visiting during the high season, which had a negative effect on the local economy. Wildly varying room rates also meant that tourists had to spend more time shopping around for accommodation rather than visiting the Ancient Town or other scenic spots. Hence, to make the home inn industry a more positive factor in sustainable tourism, it would be useful to introduce industry standards. Doing so would benefit both the industry and the local communities.

The following other recommendations also aim to suggest how the home inn industry can develop in healthy directions.

1. Establish an organization that offers help and guidance to home inn operators.

Although both Dali and Heshun Ancient Towns had home inn associations, they did not make any efforts to offer help to home inn operators or to guide the industry in healthy directions. Most operators expressed their desire for an association that would really work on developing the home inn industry, and would bring operators together to help each other through problems. Choi and Sirakaya's study (2006) also approved the importance of sustainable tourism by providing educational information and programs to residents. With the help of such an organization, the home inn industry would develop more rapidly and successfully.

2. Encourage home inns operators to pay more attention to the quality of their service.

Many home inn operators mentioned in interviews that they wished other operators would focus on maintaining high standards rather than on making a quick profit. Most of the home inns operated by non-local residents showed greater attention to detail and décor, and their

quality of service was much higher than at local residents' home inns; the latter seemed to have less of a service concept and fewer businesses ideas than non-local residents. However, more and more tourists have higher expectations of good service when they stay at home inns, and make service part of their criteria when planning where to stay on their holidays. If more home inns in Ancient Towns improved their service, the home inn industry would attract more tourists to these the destinations, which would in turn benefit local development.

3. Encourage home inn operators to participate in decision-making processes.

This study found that none of the home inn operators participated in decision-making processes related to their industry. This was because no organization or department was in charge of the industry. All home inn operators managed their businesses on their own. If operators had opportunities to participate in decision-making processes, and share different ideas, the home inn industry could develop in a more healthy and organized fashion. Because home inn operators help to properly plan the development of the home inn industry by ensuring different stakeholders in the planning process are well informed about pertinent issues (Choic & Sirakaya, 2006).

4. Ensure that governments offer practical support to residents rather than simply establishing policies.

Although local governments supported the development of the home inn industry by introducing various policies, many home inn operators were not aware of these policies. In addition, even when operators knew of them, they did not think the policies really contributed to the development of the home inn industry. The Heshun government offered subsidies to home inn operators, but none of participants had actually received these subsidies. If the governments supported home inn operators in practical ways by offering assistance according to operators'

actual, specific needs, they would enhance operators' confidence in running their businesses and contribute more to local community development.

Although Dali government officials claimed to have developed sustainable tourism in the city, home inn operators said they did not see any evidence of government activity in this regard. For example, entrance fees to sightseeing spots in Dali were highly variable, as there was no standardized pricing scheme. Overall, residents in Dali felt that the local government was not managing tourism development very well.

5. Encourage government to address the increased cost of living.

This study has shown that the rapid increase in the cost of living has posed a large, direct threat to residents' quality of life. Hence, local governments should focus significant attention on stabilizing the cost of living while they are promoting tourism development. To maintain the cost of living, the local government can step in to regulate prices. This is possible in China because the central government has the power to make such decisions and enforce them.

6. Solve the problem of broken lease contracts in Dali.

Lease breaking has had a significant negative effect on the sustainability of tourism development in Dali Ancient Town. Not only has it affected the home inn industry; the impact extends to community development, for instance by reducing social cohesion. If the government solved this problem, residents would feel more confident about participating in tourism development, and social cohesion would improve.

5.6 Study Limitations and Recommendations for Future Research

China is a vast country with a history of more than five thousand years. Ancient Towns exist in large numbers in many different provinces. Each Ancient Town has unique characteristics, such as different ethnicities, geographic features, and levels of economic

development. Hence, there is a need to study other Ancient Towns in China. In addition, future studies of the home inn industry would benefit from using more diverse research methods, such as questionnaires and focus group interview. Questionnaires have the potential to gather large amounts of varied data and hence to yield targeted, accurate results. Focus group interviews can bring more information to light in a shorter period of time because they can involve different stakeholder groups.

It is hoped that the results of this study will draw the attention of scholars and city planners to the development of home inn industries in other communities. It is also hoped that these findings not only will help the home inn industry in Dali and Heshun Ancient Towns to develop more successfully and sustainably, but also may influence strategic planning in other Ancient Towns within China, as well as at historic locations in other developing countries.

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Appendix A. Knowledge Mobilization Plan

Due to the limited literature on sustainable tourism development through the perspective of the home inn industry in English literature, it is very significant to share this research with other academics, local community committee, and tourism departments in study areas. The process of knowledge mobilization is significant, for it can not only benefits the future studies on the sustainable tourism development in developing provinces, but also offers a new perspective for local people in developing provinces on planning the sustainable tourism development.

This research will be published on some journals, presented to local communities and shared with people who are interested in tourism development in China. The benefits of publishing on journals include more scholars could have a chance to look on the current study on the development of sustainable tourism in China. However, some people who are interested in the sustainable tourism development need to pay to read the whole article because they do not have access to the article, which may cause some inconvenience for them. Sharing this research with local communities and some government officials may raise their attention on the development of the home inn industry and its influence on the local development. It will also gain some feedback from local residents and government officials that are spending time in this kind of research. Conducting a workshop will present a study perspective to more students who are in the tourism major, and it could gain some feedback from different perspectives.

This research will be submitted to Chinese journal article named *Tourism Research*. This journal focuses on the study on tourism in southwest China. There is few research focused on the relationship between the home inn industry and sustainable tourism development in China. Since Chinese is my first language, it will be easier for me to translate this research to Chinese; therefore, this research will make contribution to expand upon the sustainable tourism studies in

China. And perhaps this research will provide other scholars some new thoughts on sustainable tourism development in southwest of China.

Other academic journals will also be considered as well as publication on *Journal of Tourism Studies*. This journal is focusing on promoting the international cooperation on the tourism development. Although the development of the sustainable tourism is much more mature in developed countries than developing countries do, it's also significant to show the development in southwest China to other international scholars.

Findings will be presented at the Dali Ancient Town and Heshun Ancient Town community committees, and the report of this research will be sent to some government officials if they are interested in it. This will present another opportunity to share the knowledge of the sustainable tourism development with local residents and officials. Moreover, the feedback of local residents and official will help to make the strategic planning for Dali and Heshun Ancient Towns more successful.

If there was an opportunity to host a workshop on the sustainable tourism at universities or colleges in China, this research will be a platform to show a new perspective on the home inn industry in the sustainable tourism development in China. There is a Low Carbon Economy College that focuses on promoting the sustainable tourism development and low carbon economic development in Shenzhen, Guangdong province. I will try to contact the relative department at that college and see if they would allow me to a workshop with students in tourism major. The workshop will adopt presentation and sharing articles to raise students' attention on different perspective of the sustainable tourism development around the world.

KMB Outputs and Timeline

- Article submissions to *Tourism Research* (August, 2014)
- Article submissions to *Journal of Tourism Studies* (September, 2014)
- Report sent to tourism department (January, 2015)
- Presenting at the community committee (January, 2015)
- Workshop (March, 2015)
- Other opportunities as they rise (on-going)

Thesis Timeline

	Sep. 2013	Oct. 2013	Nov. 2013	Dec. 2013	Jan. 2014	Feb. 2014	Mar. 2014	Apr. 2014
Conduct Interview	□							
Data Analysis		□	□					
Thesis Writing			□	□	□	□		
Final Thesis Draft							□	
Thesis Defence								□

Appendix B. Reflective Chapter

Main Findings

There were several findings in this study. They are summarized as follows:

1) The age of home inn operators were various. The operators in Dali are mostly young people who quit their old jobs to start a home inn while operators in Heshun were old people who are retired.

2) Reasons for home inn operators to participate in the home inn industry are due to various cases. Most of the operators just wanted to have a more relaxed lifestyle and wanting more family time instead of making money.

3) Although local governments supported the development of the home inn industry, home inn operators could not get practical help from the local governments.

4) The home inn industry could enhance local community and tourism development.

5) The home inn industry could increase resident quality of life both in Dali and Heshun Ancient Town, but the increasing cost of living was a direct threat to reducing resident quality of life.

6) Although operating home inns could enhance operators' quality of life, most comments from home inn operators in Dali Ancient Town were negative on how the home inn industry affected their quality of life, whereas operators in Heshun Ancient Town all pointed out the positive aspects.

7) Home inn operators' age and economic base were two reasons that affect their attitudes towards the influences of the home inn industry on their quality of life.

8) The home inn industry could contribute on reducing poverty through increasing job opportunities and creating business opportunities for local residents.

9) The home inn industry could contribute to the sustainable tourism development because it could increase resident quality of life and reduce local poverty.

Practical Implications

The major practical implications encompass: 1) the findings may address the gaps between literature; 2) the results and recommendations of this study may offer a new perspective for government officials and scholars to understand the relationship between the home inn industry and the sustainable tourism; 3) this study may inspire other studies on the perspective of the home inn industry in Ancient Towns in China.

Reflection and Challenges on the Research Process

At the very beginning of this study, I had learned how to narrow down the topic by reading various literature reviews. It was not easy to determine the topic and the range of this study, discussing with supervisor really did a great favor for me because my supervisor reinforced my view on what I wanted to look for. Without the help of my supervisor, it would cost more time to organize the concept of this study. Semi-structure interview and survey were considered during the planning of the research. However, after considering the strengths and weakness between these two instruments, this study conducted the semi-structured interview to collect data because it could gain more detailed information from different stakeholder participants and each question could be dug deep for answers.

In the process of collecting data, I had to talk with various participants and needed to explain this study to all of them. All home inn operators were willing to be interviewed but none of the government officials were willing to be interviewed because they were afraid of saying something wrong. Hence, I had to find another way to interview government officials. I asked my family and friends to introduce me to some government officials at first and then I asked

these officials to recommend me to the local government officials in the two study locations. This method helped me save much time on interviewing stakeholders of government officials. Interviewing local residents in Dali Ancient Town also cost a lot of time, for many residents in Dali refused to be interviewed. However, this phenomenon did not happen in Heshun Ancient Town. Residents in Heshun Ancient Town were all very happy to be interviewed.

Although semi-structured interviews were a good way to collect detailed information, it was not easy to analyze the data because it contained too much information and was hard to organize. After reading other scholars' papers on conducting a research on two different locations, I had learned the data could be compared together or separately for analysis. After discussing with my supervisor, I adopted the method to analyze the data separately because it would be more organized and clear to see the similarities and differences between two Ancient Towns. It was hard to analyze the data at first because it needed to find the themes and sub-themes in a broad range of information. However, the writing process became interesting when comparing the similarities and differences between the two study locations. Some findings even knocked down my hypotheses.

If I could go back and redo this study, I would prefer to add survey in the study because the statistic data could make the findings more representative and reliable. Moreover, the survey could gain more participants perspectives on the home inns industry. At the beginning stage of writing the proposal, I chose both survey and interview because I thought this research would have both qualitative and quantitative data. But at the end I dropped the survey because the research would have a large amount of data to deal with and my supervisors suggested that interview would be enough for this study.

Pride and Impacts of the Research

I was proud that I completed this research under the help of my supervisor. It was my first time to collect qualitative data that talked to various people face to face, which required much courage especially when you had been refused by some of them. I am also proud that I did a research in a developing province in China because I thought that central government paid less attention on sustainable development in rural provinces in China. I hope my study could rise some awareness of the sustainable development in developing areas especially the sustainable tourism development. Economic development was vital for many developing areas but we could not only pursue the economic benefits and ignore the developments of the environment and residents.

Hence, it is significant to share this study to other scholars who are interested in the tourism development in developing countries and also some government officials in China. I will submit the English and Chinese version of this study to magazines because more scholars could read it after it's published. Secondly, if opportunities allow, I would prefer to host a workshop at universities in China on sustainable tourism development to share more information on my research and on the sustainable tourism. I will also offer the Chinese version to local government officials if they are interested in this study.

Appendix C. Semi-structured Interview

Semi-structured interview for local Home inn operators

These were translated into Mandarin and then more fully formatted.

The purpose of this study is to assess how home inns are contributing to sustainable tourism development in rural China by conducting a comparative case study of home inns in two ancient towns that differ in terms of level of tourism development (Dali and Heshun Ancient Towns). This research hopes to help local tourism officials and industry to have a better understanding of how best to further develop tourism both sustainably and equitably.

Survey #: _____ Date: _____ Age: _____ Gender: _____ Years in residence
in the area: _____ Nationality: _____ Ethnicity: _____
Type of home inn: _____

Group 1. Basic indicators

1. Which year did you start running a home inn and what was your job before operating a home inn?

2. Why have you chosen to operate a home inn?

3. As you previously mentioned _____, could you conclude that what are the potential benefits and negative effects to you when operating a home inn?

4. Do you still have other livelihood incomes other than operating a home inn? If you have, does it have any conflicts to the home inn business? And why do you choose another livelihood strategy such as running a café shop or restaurant at the same time?

5. Compared to other tourism business such as restaurant and souvenir stores, how do you think of home inn industry?

6. Would you say that overall, the benefits of operating a home inn outweigh the negative impacts?

Group 2. Quality of life

(Introduce what is quality of life) Quality of life is measured as people's satisfaction with their current life or fulfillment with the experience; therefore, the indicators of quality of life are

designed to assess the totality of life experiences. Although there are various frameworks to study quality of life, this research will focus on economic, cultural, environmental sectors considering different scholars studies and the local context.

7. Are you satisfied your current life (consider of income, cost of living, environment, social environment, security, local cultural)?

8. Do you think operating a home inn can increase your awareness of protecting the environment and local culture such as not dismantling old buildings optionally and the importance of teaching the youth the traditional culture?

9. (Introduce the meaning of quality of life) Do you think operating a home inn affect your quality of life or not? Please explain.

10. Do you think that operating a home inn is a sustainable business? If yes/no, please explain.

Group 3. Participation

(Introduce the importance of residents participate in tourism development)
Resident participation in tourism development provides various positive benefits either directly or indirectly. For example, resident participation in tourism activities can protect their culture during tourism development and also gain more incomes.

11. Did you participate in decision-making process? If Yes/ No, how do you think of it?

12. What kind of influence do you think home inns have on tourism development? Please explain.

13. Do you think you have a better appreciation of your own culture because of participating in tourism development?

14. What do you think of participate in operating home inn industry? Does it easier for local residents to participate in than other tourism business such as restaurants or souvenir stores or not?

15. Do you get any supports from the government or the community for operating a home inn? If there are some supports from others, what kind of the support they are?

16. Do you think operating a home inn have effects on reducing poverty? Please explain.

17. On academic, sustainable tourism means increasing residents quality of life and minimizing negative effects and it should meet the needs of the local residents' standard of living over the short and long term, do you think home inn industry have any influence on sustainable tourism and what kind of influence do you think home inns have? Please explain.

Thank you very much for your time!

Semi-structured interview for local government officials

These were translated into Mandarin and then more fully formatted.

The purpose of this study is to assess how local government officials think of home inn industry in rural China by conducting a comparative case study of home inns in two ancient towns that differ in terms of level of tourism development (Dali and Heshun Ancient Towns). This research hopes to help local tourism officials and industry to have a better understanding of how best to further develop tourism both sustainably and equitably.

Survey #: _____ Date: _____ Age: _____ Gender: _____ Ethnicity: _____

Group 1. Indicators

1. How many home inns exist in Dali/ Heshun Ancient Town? If you don't have a statistic, please estimate.
-

2. What kind of residents mostly participates in home inn industry? (Outsiders, foreigners, local residents)
-

3. What's the type of most home inns, such as owner-occupied home inn, leasing contract, or outsider investor cooperates with resident?
-

4. Are there any certain standards for operating a home inn? Please explain.
-

5. Are there any opportunities and barriers for operating a home inn? Please explain.
-

Group 2. Participation

(Introduce the importance of residents participation in tourism development)

Resident participation in tourism development provides various positive benefits either directly or indirectly. For example, resident participation in tourism activities can protect their culture during tourism development and also gain more incomes.

6. Since there are some standards and barriers for operating a home inn, does everyone have the equal opportunity to participate in operating a home inn?
-

7. As you mention that there are _____ (opportunities) for participating in operating a home inn, does the government support home inn industry in the community? If so, Please explain how the local government supports home inn industry. (Or, Are there some preferential policies or training that related to home inns for minorities/ local residents who do not have sufficient funding but willing to operating a home inn?)
-

8. As you mentioned that local government will offer some help to residents participate in home inn industry, could you please explain why does local government support the development of home inns?
-

Group 3. Quality of life

(Introduce what is quality of life) Quality of life is measured as people's satisfaction with their current life or fulfillment with the experience; therefore, the indicators of quality of life are designed to assess the totality of life experiences. Although there are various frameworks to study quality of life, this research will focus on economic, cultural, environmental sectors considering different scholars studies and the local context.

9. On academic, sustainable tourism means increasing residents quality of life and minimizing negative effects and it should meet the needs of the local residents' standard of living over the short and long term, do you think home inn industry have any influence on sustainable tourism and what kind of influence do you think home inns have? Please explain.
-

10. How do you think of the potential benefits and negative effects of operating a home inn?
-

11. Compared to other tourism business such as restaurant and souvenir stores, do you think home inns bring more benefits such as improving the tax revenue and improving infrastructure to the community or not? Please explain.
-

12. Do you agree with that home inn industry bring positive influence on the community development (consider of environment, social environment, local culture)? Please explain.
-

13. Since you mentioned that there are ___ positive influence of operating home inns, does there have any negative influence on the community (consider of environment, social environment, local culture)? Please explain.
-

14. Do you think home inn industry can increase residents' quality of life? If so, how do you think it can have influence on residents' quality of life. If no, please also explain it.
-

Thanks you very much for your time!

Local residents semi-structured interview questions

These were translated into Mandarin and then more fully formatted.

The purpose of this study is to assess how local residents who do not participate in home inn industry think of home inn industry in rural China by conducting a comparative case study of home inns in two ancient towns that differ in terms of level of tourism development (Dali and Heshun Ancient Towns). This research hopes to help local tourism officials and industry to have a better understanding of how best to further develop tourism both sustainably and equitably.

Survey #: _____ Date: _____ Age: _____ Gender: _____ Years in residence in the area: _____ Nationality: _____ Ethnicity: _____ Occupation: _____

1. Why do you participate in tourism industry?/ what is your job?

2. How do you think of home inns in your community?

3. Do you think that home inn industry bring positive influence on the community development (consider of environment, social environment, local culture)?

4. What kind of influence do you think home inns have on tourism development? Please explain.

5. Does home inn industry affect your business/ life? Please explain.

6. Do you think that home inn industry can increase other residents' awareness of protecting the environment such as not demolishing traditional buildings, promote local culture and teach tourists to appreciate local environment?

7. Due to the tourism development in the community, do you think you have gained a better quality of life or not (consider of income, environment, social environment, security, local cultural)?

8. How do you think of the differences between home inn operator's quality of life and yours?

Thank you very much for your time!

Appendix D. Semi-structure Interview Consent Form

These were translated into Mandarin and then more fully formatted.

RESEARCH CONSENT FORM (interview for home inn operators)

Assessing home inn contributions to sustainable tourism development in Dali and Heshun
Ancient Towns, Southwestern China

OuYang Huixuan

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Email: nanatrinity@hotmail.com; Cell: 1 (250) 740-6396

Supervisor: Pete Parker, PhD, Email: pete.parker@viu.ca

The purpose of this study is to assess how home inns are contributing to sustainable tourism development in rural China by conducting a comparative case study of home inns in two ancient towns that differ in terms of level of tourism development (Dali and Heshun Ancient Towns). This research is being conducted as partial fulfillment of my Master of Arts degree in Sustainable Leisure Management.

During this study, you will be asked to participate in an interview that will last between 40 and 60 minutes. The questions will be about your experiences with home inns and what you think are the good and bad things that home inns provide both your family and community. We will not be recording your name as part of this project; however, we would like to make note of your title and general descriptive features like your age, gender, as well as your ethnicity group.

There are no harms associated with participants in this research. The potential benefits include letting local communities have a better understanding on the influence of operating home inns and importance of promoting sustainable tourism. The potential benefits of this research help local tourism officials and industry have a better understanding of how best to further develop tourism both sustainably and equitably.

With your permission we may record all or part of your interview using a digital audio recorder. The file will be stored on a password protected computer and will only be used in the situations described below. All records of participation will be kept strictly confidential and only my supervisor and I will have access to the information. All hard copy data will be destroyed by shredding immediately following inputting to a computer database. All electronic files will also be deleted at the end of this project, approximately April 2014. Information about the project will not be made public in any way that identifies individual participants.

Your participation is completely voluntary. You may withdraw at any time for any reason without explanation and without penalty. You may choose not to answer any question for any reason. If you have any concerns about your treatment as a research participant in this study, please contact the VIU Research Ethics Officer, by telephone at 250-753-3245 (ext, 2665) or by email at reb@viu.ca.

If you have any questions about this research project, or would like more information, please feel free to contact me at this e-mail address: OuYang Huixuan -- nanatrinity@hotmail.com

I have read the above form, understand the information read, understand that I can ask questions or withdraw at any time. I consent to participate in today's research study.

Participant's Signature

Date

RESEARCH CONSENT FORM (interview for government officials)

Assessing home inn contributions to sustainable tourism development in Dali and Heshun
Ancient Towns, Southwestern China

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Email: nanatrinity@hotmail.com; Cell: 1 (250) 740-6396

Supervisor: Pete Parker, PhD, Email: pete.parker@viu.ca

The purpose of this study is to assess how home inns are contributing to sustainable tourism development in rural China by conducting a comparative case study of home inns in two ancient towns that differ in terms of level of tourism development (Dali and Heshun Ancient Towns). This research is being conducted as partial fulfillment of my Master of Arts degree in Sustainable Leisure Management.

During this study, you will be asked to participate in an interview that will last between 40 and 60 minutes. The questions will be about your thoughts about home inns and what you think are the good and bad things that home inns provide for the community and tourism industry. We will not be recording your name as part of this project; however, we would like to make note of your title and general descriptive features like your age, gender, as well as your ethnicity group.

There are no harms associated with participants in this research. The potential benefits include letting local communities have a better understanding on the influence of operating home inns and importance of promoting sustainable tourism. The potential benefits of this research help local tourism officials and industry have a better understanding of how best to further develop tourism both sustainably and equitably.

With your permission we may record all or part of your interview using a digital audio recorder. The file will be stored on a password protected computer and will only be used in the situations described below. All records of participation will be kept strictly confidential and only my supervisor and I will have access to the information. All hard copy data will be destroyed by shredding immediately following inputting to a computer database. All electronic files will also be deleted at the end of this project, approximately April 2014. Information about the project will not be made public in any way that identifies individual participants.

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If you have any questions about this research project, or would like more information, please feel free to contact me at this e-mail address: OuYang Huixuan -- nanatrinity@hotmail.com

I have read the above form, understand the information read, understand that I can ask questions or withdraw at any time. I consent to participate in today's research study.

Participant's Signature

Date

RESEARCH CONSENT FORM (interview for residents who do not operate home inns)

Assessing home inn contributions to sustainable tourism development in Dali and Heshun
Ancient Towns, Southwestern China

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Supervisor: Pete Parker, PhD, Email: pete.parker@viu.ca

The purpose of this study is to assess how home inns are contributing to sustainable tourism development in rural China by conducting a comparative case study of home inns in two ancient towns that differ in terms of level of tourism development (Dali and Heshun Ancient Towns). This research is being conducted as partial fulfillment of my Master of Arts degree in Sustainable Leisure Management.

During this study, you will be asked to participate in an interview that will last between 40 and 60 minutes. The questions will be about what you think are the good and bad things that home inns affect your business and influence the community development. We will not be recording your name as part of this project; however, we would like to make note of your title and general descriptive features like your age, gender, as well as your ethnicity group.

There are no harms associated with participants in this research. The potential benefits include letting local communities have a better understanding on the influence of operating home inns and importance of promoting sustainable tourism. The potential benefits of this research help local tourism officials and industry have a better understanding of how best to further develop tourism both sustainably and equitably.

With your permission we may record all or part of your interview using a digital audio recorder. The file will be stored on a password protected computer and will only be used in the situations described below. All records of participation will be kept strictly confidential and only my supervisor and I will have access to the information. All hard copy data will be destroyed by shredding immediately following inputting to a computer database. All electronic files will also be deleted at the end of this project, approximately April 2014. Information about the project will not be made public in any way that identifies individual participants.

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If you have any questions about this research project, or would like more information, please feel free to contact me at this e-mail address: OuYang Huixuan -- nanatrinity@hotmail.com

I have read the above form, understand the information read, understand that I can ask questions or withdraw at any time. I consent to participate in today's research study.

Participant's Signature

Date



Centre of Excellence

world leisure organization
at vancouver island university

The Master of Arts in Sustainable Leisure Management
is an initiative of the World Leisure Centre of Excellence
in Sustainability and Innovation at Vancouver Island University.