

Indigenous society and immigrants: tourism and retailing in Lijiang, China, a World Heritage city

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SUMMARY

This paper examines the present state of commercial use of historical buildings, details of business categories, and descriptions of items on sale in the shops in the old town of Lijiang, China in order to investigate the problems of cultural-tourism development centered on World Heritage sites. In recent years, the usage of historical buildings built by the Naxis, the indigenous ethnic group of Lijiang, has drastically changed. At present, over 60% of shops are tourist-oriented souvenir shops and restaurants. Furthermore, over 50% of the shopkeepers are temporary residents, with a large majority renting rooms from indigenous owners. These findings suggest that the location of the minority's residence and its culture are rapidly changing as tourism develops. They also imply that a re-evaluation of policy is essential for the development of sustainable tourism.

Keywords:

sustainable tourism; souvenir shops; local community; Naxis; World Heritage; Lijiang

INTRODUCTION

Background and purpose

In recent years it has been pointed out that many regional communities in cities where World Heritage sites are located run the risk of being unable to cope adequately with the social and cultural repercussions of the dramatic increase in tourists that has taken place as a result of being listed as World Heritage sites (Martin, 2000). Importance has been attached to the commercial use of protected structures as a means for the continuation of heritage in modern times. Yet, it fre-

quently happens that the inability of regional communities to take independent initiatives results in the injection of outside capital, which in turn drives the original local inhabitants from historic areas (Office of the UNESCO Regional Advisor for Culture in Asia Pacific 2000a). In light of just such a state of affairs, UNESCO has pointed out the importance of the appropriate preservation of cultural heritages in their entirety, which entails not simply the physical preservation of sites,

but also preservation of the local social and cultural environments that constitute the settings of the sites in question. Hence, UNESCO is calling for independent initiatives on the part of local society that will make such overall preservation possible (Office of the UNESCO Regional Advisor for Culture in Asia Pacific 2000b).

In the People's Republic of China, "*the Historic-Cultural City Conservation System*" is the basis of historic building conservation in the World Heritage sites (Yamamura 2002). This system has led to some positive results. Tourism development, however, combined with changes in the housing-market and family register classification systems have caused dramatic social transformations in historic areas, such as increasing numbers of rental units placed on the market, the commercialization of historic buildings, and rapid population inflows into the conservation areas. These changes have gained widespread notoriety as local governments attempt to mediate the conflicts arising between the call for conservation of World Heritage sites and demand for tourism related development. Given current circumstances, there is an urgent need both to understand the dynamic tourism development in inner cities within the country and to generate positive policy alternatives.

With such a background, this study attempted to clarify those issues that the tourist industry faces by taking as its subject the World Heritage site of the old town of Lijiang, Yunnan Province, China and by focusing on the tourist shops to be found there. For this purpose, ways were examined in which both the existing indigenous society (a minority known as the *Naxis*) and the majority peoples coming in from outside engage in commercial activities related to tourism. To this end, the study first focused on business categories and operator attributes in order to clarify the actual conditions that have given rise to the increase in souvenir shops. In light of this information, the study proceeded to investigate the structures whereby the indigenous and incoming populations have been involved in the emerging prosperity of the tourist industry by examining the forms of shop occupancy and regional character of the items on sale. The information gained was then used to clarify issues faced by indigenous communities as they engage in the development of tourism, in that it is these communities that should ideally be responsible for the management and perpetuation of the cultural heritage.

Related fields and originality of the study

Despite numerous discussions to date by UNESCO and other international bodies on the subject of relationships between the tourist industry and cities that are World Heritage sites, there exists little cumulative data from specific studies based on on-site surveys. One of the most notable has been a series of studies related to questions of heritage management and tourism, which was conducted by the Office of the UNESCO Regional Advisor for Culture in Asia Pacific (Office of the UNESCO Regional Advisor for Culture in Asia Pacific 2000a, b; 2001a, b). Although these reports brought up controversial points and contained new ideas for management models and action plans related to issues pertaining to tourism in nine Asian World Heritage sites, including Lijiang, no attempt was made to clarify the actual conditions prevailing in the regional tourist industry (the nine sites are as follows: Bhaktapur, Nepal; Hahoe Village, Republic of Korea; Hoi An, Viet Nam; Kandy, Sri Lanka; Levuka, Fiji; Luang Prabang, Lao PDR; Vigan, Philippines; Melaka, Malaysia; and Lijiang, China). The study itself went no further than a basic statistical survey and an outline of the issues involved. In terms of architecture and urban planning, research has been initiated in recent years, notably by the International Council on Monuments and Sites (ICOMOS) and other scholars such as Utsumi et al., into the repercussions of the creation of tourist sites as it affects historic cities. The report by ICOMOS focuses on the impact of tourism development upon the historic buildings in several World Heritage cities such as the Historic Centre of Telč in the Czech Republic and the old town of Lijiang in China (Drdácký 2002). Yet, although such research summarizes the issues arising from the repercussions of the tourist industry on both the buildings and spatial environment of the city/settlement, there has been no adequate survey or examination of either the structures involved in the increasing prosperity of regional communities and the tourist industry or the independent initiatives on the part of regional communities and indigenous populations in managing their heritage. Utsumi et al. (1999, 2001) also indicate the negative impact of tourism development upon the historical townscape in the historic district of Hoi An, Vietnam. Nevertheless the study is only just dealing with issues concerning visual change of façades from a regulation control point of view without social and cultural observations.

In geography, there have hitherto been numerous discussions devoted to urban form and function in the field of studies of the morphology of resorts and tourism cities with respect to the characteristics and impact of urban tourism in so-called "tourist-historic cities", the planning strategy and development policy of the tourist industry, and the optimization of regulation (Getz 1993). Within that research tradition, the term "tourism business district" (TBD) can be used to describe concentrations of visitor-oriented attractions and services located in conjunction with urban central business district (CBD) functions. In older cities, the TBD and CBD often coincide with heritage areas. The old town of Lijiang, which was the subject of this investigation, is one such TBD (Jiang ed. 1997). From this standpoint, the studies of the distribution of stores and the application of structures in the old town of Lijiang that were carried out in this investigation may be regarded as possessing a morphological perspective.

As Getz pointed out, owing to the increasing significance of urban tourism, many municipal planning departments and public agencies have sought to plan the TBD (1993:587). Thus "the preserved heritage" and "the ambience augmented by leisure services" are important attractions, especially in a tourist-historic city. It is often suggested in morphological studies that "the reuse and adaptation of old buildings for services and accommodations", which forms "a major feature of this approach", is an effective strategy in TBD planning. (Getz 1993:598). This situation is also the same in China's tourist-historic cities, where the central and regional governments are planning and implementing TBDs centered on vigorous effects to preserve historic structures and take advantage of their tourist industry applications. This study focuses on Lijiang, which is a conspicuous example of the benefits of a strong policy of the promotion of sightseeing, as the entire old town has been designated as a World Heritage site and most buildings have received protected status.

Still, the principal objective of morphological studies is an analysis of spatial patterns and functions in the TBD. Very few studies have analyzed the transformation of cultural and social elements or investigated the protection of the totality of a historic city as a heritage.

Nonetheless, it is a fact that in many world heritage cities, the reuse of historical buildings has marked a turning point at which social structures have changed. This is a major issue, as indicated by the UNESCO designation mentioned above. Changes in social structures

are crucial issues in cities where special minorities are concentrated, as is particularly the case with Lijiang. In dealing with such issues, an examination of urban form and function from only the morphological perspective will quickly encounter limitations. That is why this study emphasizes analyses focused on social structures while at the same time incorporating a morphological perspective.

In China, there have been several investigations into the Chinese conservation system for historic cities (Ruan et al. 1995, Ye et al. 1997, etc.). Previous research in this field, however, has been restricted to the frameworks of the conservation systems and their application and less attention has been paid to the actual situation of conservation and the impact of tourism development upon the historical buildings and local societies.

With regard to the old town of Lijiang itself, although major studies were done by local *Naxi* cultural anthropologists such as Yang (1998), Guo (1999) and He (2000), etc. to clarify the uniqueness of *Naxis'* traditional culture and their mode of living, there are scarcely any noteworthy studies and researches on the tourist industry in Lijiang.

While sharing an awareness of the issues entailed in such studies and research, this study would seem to take a distinctively original approach with regard to the following two points:

- (1) It has specifically and concretely clarified actual conditions of the tourist industry by using data from on-site surveys of the shops themselves as the basis of an examination of business categories and operator attributes.
- (2) It then focused on the nature of the involvement of the various types of shop operators in the tourist industry in terms of regional characteristics so as to examine problematic areas of the existing tourist industry in light of the interrelationship with the indigenous community.

Additionally, it is believed that Lijiang is a suitable subject of a study involving the issues described above, in that it is the historical home of the *Naxis*, who are heirs to a unique society and culture. Hence, in this respect, the rise in the prosperity of the tourist industry is likely to affect the regional community and its culture to a marked extent.

OUTLINE OF RESEARCH AREA AND METHODOLOGY

Geographical outline of Lijiang

The Lijiang Naxi Autonomous County (hereinafter, Lijiang County) is located in the northwest corner of Yunnan province in southwest China (Figure 1). Mountainous terrain covers seventy percent and flat plains only five percent of the land area. Lijiang County is about six hundred kilometers away from the provincial capital Kunming and has derived comparatively little benefit from economic growth in coastal and central China.

The Lijiang County seat consists of a new administrative section and the original town of Dayan. The old town of Dayan, which is known as “the old town of Lijiang” or “the ancient town of Lijiang”, contains wooden buildings constructed in the Song (end of the 12th century to the early 13th century A.D.), the Yuan (early 13th to mid-14th century) and Ming dynasties (mid-14th to mid-17th century) that are still standing (Photo 2).

The old town of Lijiang was listed by UNESCO as a World Heritage site in December 1997 in appreciation of the architecture of its dwellings and the historical townscape as a collective entity. The old town of Lijiang has a population of 14,477 housed in some 4,156 wooden dwellings crowded into an area of 350.2 ha. (figures provided by the Lijiang County authorities, March 2000).

Figure 1
LOCATION OF LIJIANG



■ : Lijiang Naxi Autonomous County

Source: map courtesy of the author

The great majority of the population of Lijiang County are the *Naxis*, an indigenous ethnic minority group, with the right of self-government (Photo 1). The total population of the *Naxis* is about 278,000 people all over the country and they still keep their own language, pictographs and religion (Guo et al. 1999). There are approximately 198,000 *Naxis* living in Lijiang County, representing about 66.5% of the *Naxis*' total population in China (figures as of 1996. Lijiang Prefecture Administration Office 1997).

The whole area of the old town was designated as a conservation area in the *conservation detail plan* by the government of Yunnan Province in 1997. The plan places restrictions on the outward appearance and materials of buildings in this area. Extensions and remodeling of façade architecture is strictly limited and new architectural designs are prohibited by guidelines stated in the plan (Government of Yunnan Province 1997).

Photo 1
THE NAXIS



Source: Photograph courtesy of the author, March 2002

Photo 2
A TOWNSCAPE VIEW OF THE CENTRAL AREA OF THE OLD TOWN



Source: Photograph courtesy of the author, September 2001

Family register classification system and ethnicity

The family register classification system is a unique Chinese system that restricts the movement of the population within China. As Wakabayashi (1996) points out, the presence of this system has resulted in the

emergence of unique Chinese social structures. It is a major element that must always be taken into consideration when examining the attributes of regional populations in China. At present, Chinese people must secure temporary permits in order to live in a region other than the region listed in their registered permanent residential qualification, and such permits only allow time-limited stays. Consequently, the residents of a certain region are automatically divided into two categories: permanent inhabitants who possess permanent residential qualifications for that area, and temporary residents who may reside there temporarily by virtue of having received temporary permits.

Given this institutional context, residents of the old town of Lijiang have the following characteristics with respect to the relationship between the family register and their ethnic group. In other words, most of the permanent inhabitants (census data is not available) are *Naxis*, who are historically speaking, the indigenous inhabitants. Most of the temporary residents, who are people that have come to Lijiang from elsewhere, are *Han* Chinese which account for 95% of the total population of China, form the overwhelming majority of China's population (National Bureau of Statistics of China, 2000). *Naxis*, which reside largely in Lijiang, form a correspondingly minuscule part of the population in other regions.

The current family register system is a unique Chinese system that originated in the "Local Ordinance on Family Registration" of 1958. As such, it is the basic system used by the authorities to control citizens and their movements. The original purpose of this ordinance, which was to ensure by political means the presence of the agricultural work force under the planned economy, strictly limited migration to other areas with the objective of making it impossible to transfer one's domicile from the farming village to the city. Since the second half of the 1980s and the advent of the subsequent "Reform and Open Policy" and the relaxation of restrictions of constraints on population movements, as noted above, people may migrate, with certain conditions attached, if they acquire temporary permits (Wakabayashi 1996). In recent years, the central government, recognizing the contradiction of the family register classification system with the market economy, has proposed a policy of forward-looking reform aimed at reflecting China's constitution, which guarantees equality under the law. Consequently the government has announced a plan for a complete reform of the family register classification system (Yamamura 2003).

Family registers are controlled by the Bureau of Public Security, and anyone wishing to reside in Lijiang must undergo screening and complete official documentary procedures at a local office controlled by the Bureau of Public Security before being issued a temporary permit valid for a specified period of no longer than one year. Upon the expiration of a permit, an extension of up to one year is normally possible after a second official examination. The stringent legal restrictions on changing a registered permanent residential qualification make it extremely difficult for temporary residents to acquire permanent residential qualification of Lijiang (according to information gained from interviews conducted with Lijiang County Bureau of Public Security in June 2000 and Dayan Town Government in November 2000.)

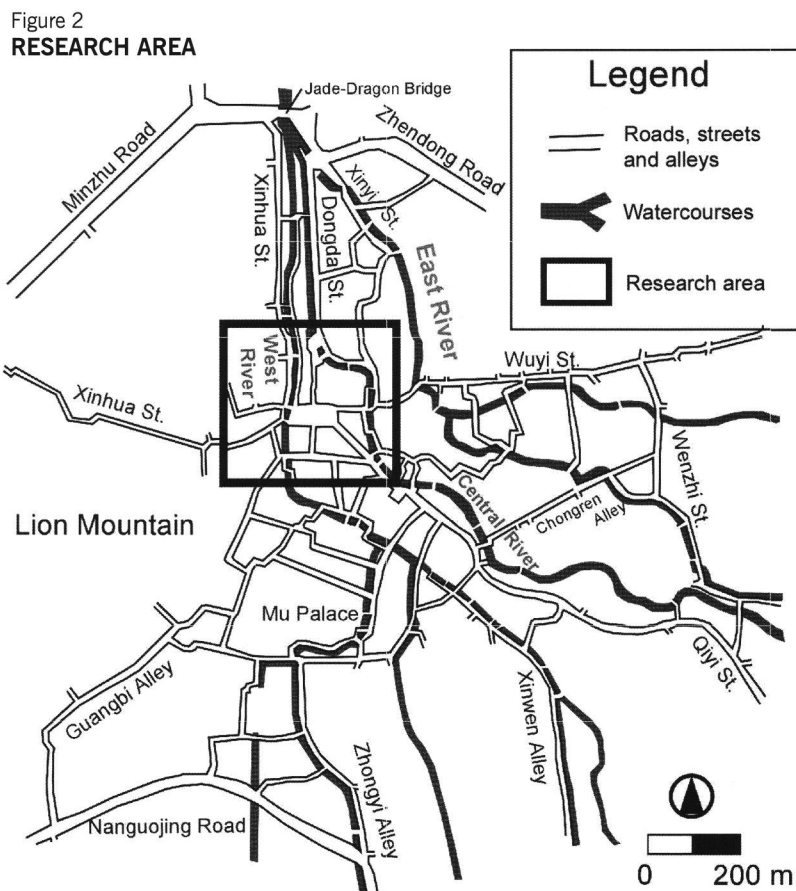
Methodology

The sample consisted of all shops located in the central area of the old town (Figure 2). This geographic area, approximately 230 m (north and south) by 200 m (east and west), is both the center of the historic old town and an area of highest-priority conservation (56.775 ha), as designated in the *conservation detail plan*.

This research area is also the central tourist spot, where tourists and shops are highly concentrated. Taking these geographical factors into consideration, it is believed that these characteristics support suitability of the area for an on-site survey.

For purposes of this study, a single shop unit was defined as a section of a building in some manner demarcated from adjacent shops and being used by a single independent operator. This definition was adopted because premises were frequently encountered that were originally single units and were now partitioned into segments and conversely, that were originally multiple units but were now used as a continuum after the removal of dividing walls. The on-site survey was conducted between April and June, 2000, personally by the author in accordance with the procedures described below.

(1) In China, detailed city maps are not available due to reasons of national defense. Therefore, with Lijiang County's permission, a map of the town was initially drawn up and prepared by the author. Consequently, all retail and service business were counted, some 286 shops being identified in the survey sector and constituting the subjects of the survey.



Source: map courtesy of the author on the basis of a map by Xu (2000)

(2) The on-site survey was used to classify retail and service business and descriptions of the items on sale in the shops under survey.

In a related type of research, Getz et al. (1994) took a supply-side approach, employing field observation and photography, plus analysis of published business directories to count and classify tourist shopping businesses in the Calgary region. Following their methodology, this survey also employed visual inspections including distinctive design, colors, signage, and names. However, because in China, business directories and community plans are not open to the public, on-site inspection was conducted to identify descriptions of the items on sale and the service. Furthermore, to make up for the lack of municipal information such as business directories, a person-to-person interview on business conditions was conducted with operators of each of the 286 shops covered by the survey (operators themselves in self-run outlets; relevant information-desk staff in corporate outlets). During the interview, information elicited on business conditions included the purpose of opening the shops and the percentage of the revenues from visitors and local people.

All interviews were conducted in Mandarin (standard Chinese) by the author. Each interview was based on a series of prepared questions.

In light of such information, businesses were distinguished and classified into two categories according to the following criteria: "Tourist shops" and "General shops". Further, according to the particulars of business content, businesses were sub-classified into categories of commodity sales/service industry, providers of food and drink, and establishments offering overnight accommodation.

Tourist industry classification

Shops were classified as belonging to the tourist industry when the shops were determined on the basis of actual observation and interviews to be tourist oriented because they sell commodities or services to tourists, or when replies indicated that more than half of the sales were to tourists. When multiple business categories are concurrently carried out, businesses that catered to tourists as their main commercial activity are classified as tourist shops.

- In the case of sales of commodities and services, shops that sell souvenirs were placed in the tourist in-

dustry category. Among these shops, local products that had originally been articles of everyday life used by local inhabitants appear to have been repositioned as specialty products (souvenirs). Most of these articles now appear to be purchased by tourists, including articles from shops that sell Chinese herbal medicines and tea leaves.

- In the case of providers of food and drink, those that were placed in the tourist industry classification included restaurants and coffee shops (tea rooms) that were verified by actual observation as offering foreigner-oriented menus (which according to interviews with the local inhabitants embrace food and beverage customs that had hitherto been unknown) including western and Japanese food as well as coffee and western spirits. Restaurants providing local food were also placed in this category when replies indicated that tourists accounted for more than half of the customers. Such restaurants, which offer a large number of menu items, 30-40 items or more, are characterized by tourist-oriented menu language (in most cases, bilingual menus with items in Chinese and English). Accommodations such as hotels, guest houses, and private homes providing meals and lodging are facilities that basically cater to travelers. As such, they are included in the tourist industry category.

General business classification

Shops were classified as belonging to the general business category when the shops were determined on the basis of actual observation and interviews to be selling commodities or services to the local population, or when replies indicated that more than half of the sales were to the local population.

- In the case of sales of commodities and services, shops are placed in this category when they are overwhelmingly patronized by the local inhabitants and have close ties to their region, even when they are aimed at a broad range of customers, such as shops that sell food and miscellaneous goods for daily use, clothing shops, and barber shops.

- In the case of providers of food and drink, the providers place in this category include shops that provide light meals centered on flour-based food (noodles, pancakes, etc.) for breakfast and lunch to the local inhabitants and shops that sell fried and boiled potatoes as snacks mainly for children. According to Guo (1999:150-151), such meal customs and shops were

present among local *Naxi* groups before the area became a tourist destination. The range of items offered by one shop is small, almost never more than ten items. A majority of such shops are characterized by their lack of a printed menu. As such, they are not oriented to tourists.

(3) An interview on attributes of the shop operators was also conducted with all operators. Through the interview, principal information was obtained on operator attributes including family register classification, race, place of birth, date of relocation, and the date when shop went into business. Questions related to shop construction included ascertaining whether premises were owned or rented, etc.

With regard to such matters as social systems and fluctuations in the number of tourism-related industries, interviews with officials and residents were carried out to supplement locally available statistics and records, of which there is a severe lack.

RESULTS

Classification of shops and their operators

Table 1 shows the business categories of the shops and their respective numbers as determined by the on-site survey and figure 3 shows these results in map form.

Of all shops, 66.1% belonged to the tourism category, being approximately twice as numerous as those in the "General" business category. The type of construction that is often seen in the old town of Lijiang is "*Lian-Pai style*", rows of connected townhouse buildings, which may be called "*linked Terrace style*". This style developed as a combination building housing both a shop and living quarters (Jiang ed. 1997). Moreover, historical data shows that the central quarter of the old town contained numerous shops before the establishment of the People's Republic of China in 1949 (Goullart 1955). However, most were apparently engaged in the sale of foodstuffs and daily provisions to local inhabitants (Goullart 1955). The lack of surviving statistical records in the locality prevents our demonstrating from documentary evidence exactly when the business category of tourism began to gain in numbers. However, an examination of the dates when the shops went into business reveals that 176 (93.1%) of the 189 shops in the tourism category opened for business no earlier than 1995 (Figure 4).

Table 1
BUSINESS CATEGORIES

Business categories	Number of shops	%
Tourist shops	189	66.10
Commodity sales/ Service industry ¹	145	50.70
Providers of food and drink ²	38	13.30
Accommodations ³	6	2.10
General shops	97	33.90
Commodity sales/ Service industry ⁴	88	30.80
Providers of food and drink ⁵	9	3.10
Overall	286	100.00

¹ E.g., *souvenir shop, etc.*

² E.g., *restaurant, coffee shop, bar, etc.*

³ E.g., *guest-house, inn*

⁴ E.g., *general store, clothing store, barbershop, etc.*

⁵ E.g., *local eating house*

Questions of rigorous proof do remain unanswered because of the absence of records on the modes of use of buildings immediately preceding their opening as shops. For the reasons presented below, however, it can probably be appropriate to view the increase in the total number of shops in the central area of the old town as beginning around 1995, when buildings that had hitherto been used as residences were converted and opened as new shops in the tourist category.

(1) After the establishment of the People's Republic of China in 1949, free markets and firms under private management were prohibited under the policies of the controlled economy. Consequently, commercial business activities were paralyzed (Guo ed. 1999:684), and the number of shops declined sharply. According to interviews with residents, the number of shops was extremely low in comparison with the number at present, even after 1949, until the number of tourists increased (from interview survey of Lijiang residents October 2001).

Figure 3
CURRENT SHOP DISTRIBUTION

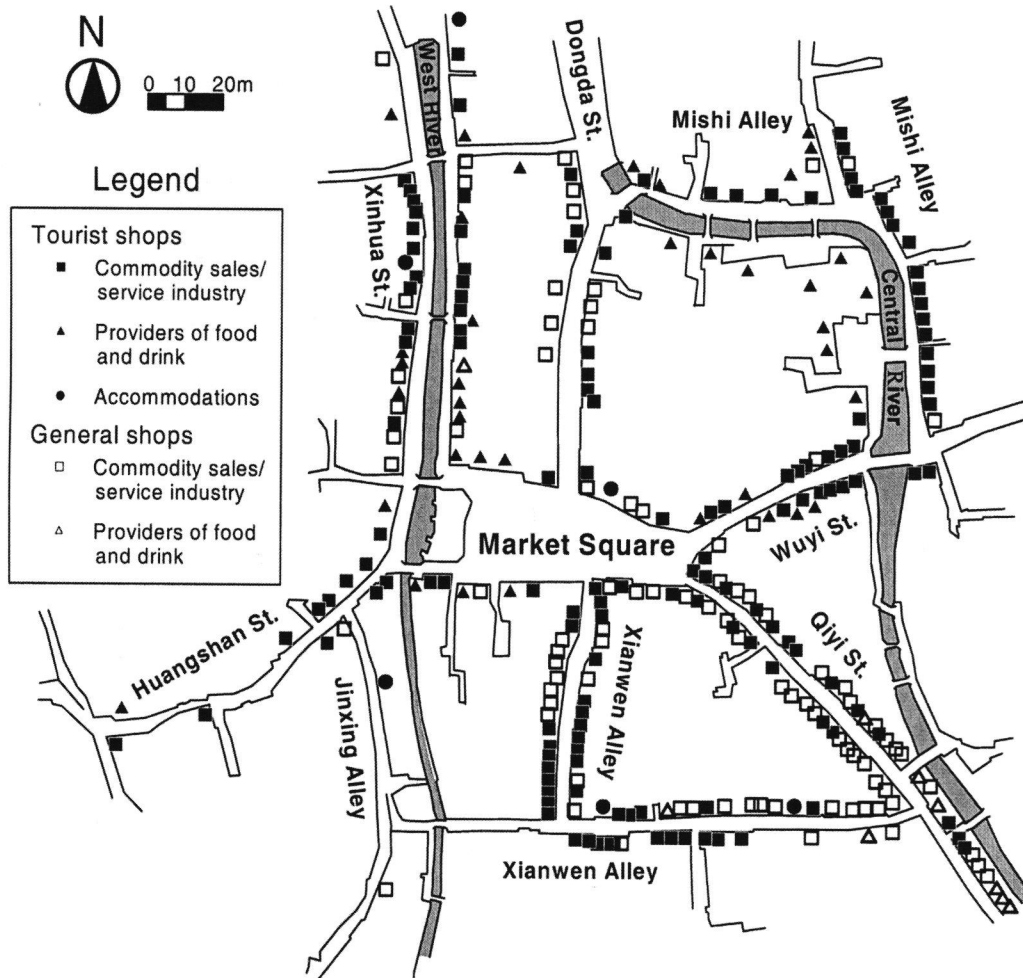
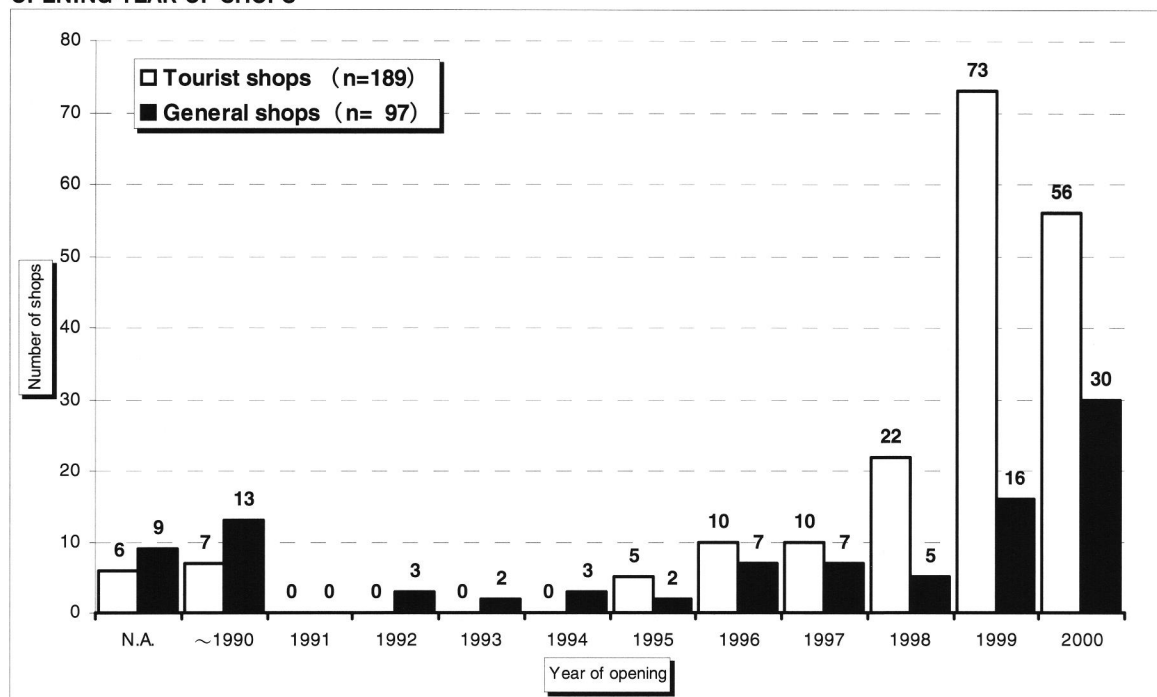
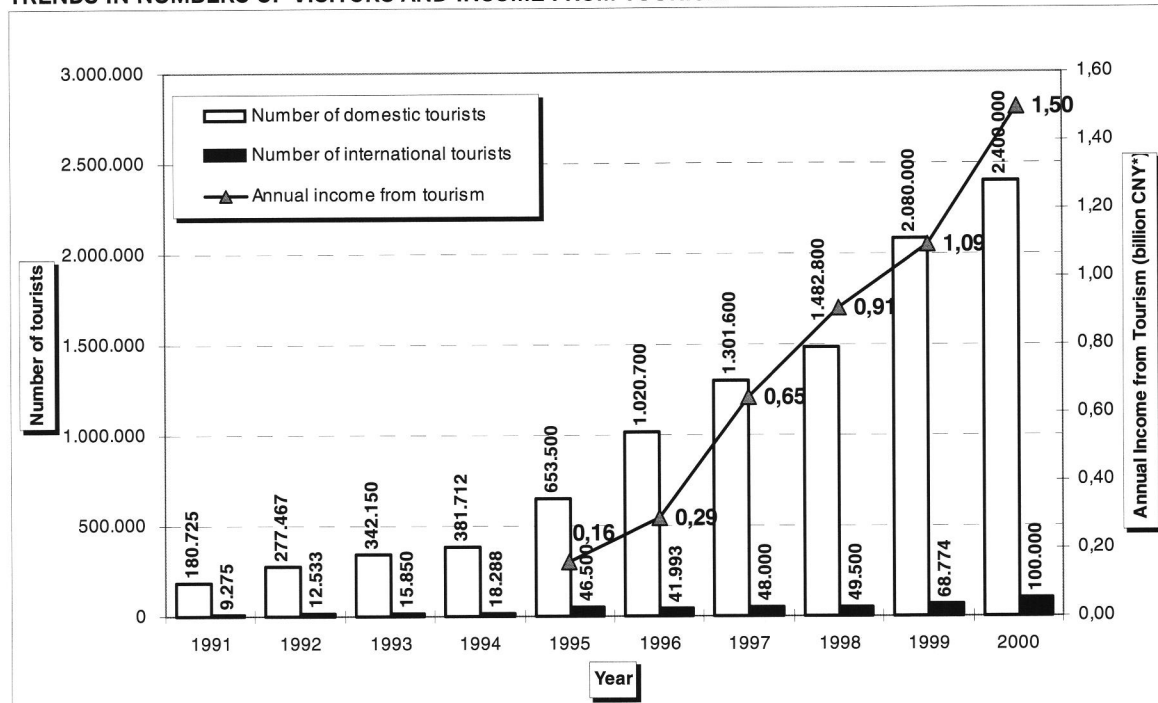


Figure 4
OPENING-YEAR OF SHOPS



Source: Compiled by author on the basis of information gained in interviews with shop operators

Figure 5
TRENDS IN NUMBERS OF VISITORS AND INCOME FROM TOURISM



Note 1: Figure for 2000 is the Bureau of Tourism's estimated value as of May 2000.

Note 2: Income from tourism refers to the total amount spent in the locality by tourists in the course of their journey.

Note 3: Statistical data indicating total income from tourism for 1994 and earlier have been omitted owing to lack of records in the locality.

*Note 4: 1 CNY (China Yuan Renminbi) = 0.12 USD

Source: Compiled by author on the basis of statistical data provided by the Bureau of Tourism, Government of Lijiang County

(2) Lijiang airport came into operation in June 1995. Considerable improvements were made with regard to access to Kunming City, the capital of Yunnan Province. These developments were no doubt highly effective in attracting travelers, subsequently bringing about dramatic increases in the number of people journeying as far as Lijiang and in the income gained from tourism (Figure 5).

(3) The "Reconstruction Plan for Central District of Lijiang" formulated in 1996 and "Conservation Detail Plan for Lijiang Old Town" in 1997 not only provides regulations governing building façades, but also seeks to promote tourism by encouraging the modernization of residential building interiors and the commercial use thereof for purposes of tourism. (Restrictions on building use were not included in the existing regulations.) In these documents, the local governments of both Yunnan province and Lijiang County clearly mentioned one of the main purposes of making these plans was to develop Lijiang as an international tourist city (Government of Lijiang County 1996; Government of Yunnan Province 1997). It is likely that these policies have influenced the increasing the shift to building use for commercial purposes related to tourism.

(4) It is difficult to believe that the decrease of population in the old town and the increase in the total number of shops over the past ten years is attributable simply to the increase in the total number of daily provision-related shops in connection with population growth. Instead, it would seem to be appropriate to view it as the growth in the tourist industry as a result of the emergence of Lijiang as a tourist destination. According to government figures, the population of the old town as of 1988 was 28,000 in about 4,200 households (Bureau of Urban Construction, Government of Lijiang County 1988), while as of 2000 the population of the old town was 14,477 in 4,156 households (figures provided by the Lijiang County authorities March 2000).

Likewise, views corroborating this opinion emerged from interviews conducted by the authors in June 2000 with 10 local government officials in the county of Lijiang.

Moreover, the following two facts may account for the considerable number of shops opening between 1998 and 2000:

(1) Lijiang became more widely known as a result of having been listed as a World Heritage site in December 1997.

(2) As a result of the International Horticultural Exposition being staged in the city of Kunming in 1999 and Lijiang being designated as a subsidiary convention venue and included in the route of tours from Kunming City, some visitors to this event also made their way to Lijiang, further boosting the number of travelers entering the town (Figure 5).

These factors led to what might be justifiably described as a “boom” in the opening of shops belonging to the “Tourist” category. (This was confirmed by the information received from interviews with shop operators in June 2000, many replying that they viewed the staging of the horticultural convention as a business opportunity.)

Table 2 shows whether the shop operators surveyed are individual or corporate entities and classifies shops according to business category. In addition, the table gives the racial composition of the 263 individual operators, referring to their family register classification under Chinese law. Of the 286 shops surveyed, 263 (more than 90%) were run by individuals. Of these, 139

(48.6%) shops were operated by permanent inhabitants, mostly by the *Naxis*, while 124 (43.4%) were run by temporary residents from outside the locality, principally the *Hans*, the major ethnic group of China.

Turning to the tourism business category, it was found that, the temporary residents are in the majority, totaling 50.8%. This and the fact that some 96 (77.4%) of the 124 operators with temporary-resident status are engaged in the tourism business category shows that the influx of population from outside the region is a factor that has been largely involved in the increase of tourism as a business in the locality.

A liberalization of population movement in China, albeit subject to conditions, has taken place thanks to relaxed restrictions on population movement and the Reform and Open Policy since the second half of the 1980s. According to Kanno (Kanno 1996), these decisions by the central government have caused a large-scale inflow of the rural population into urban areas. Concerning the social systems, the percentage of temporary residents mainly consisting of *Han* descendants, as shown in table 2 can be attributed to the reactions to the liberalization of population movement allowed by these policies.

Table 2
CATEGORIES OF SHOP OPERATORS

Business categories	Categories of shop operators								Overall
	Individual operators						Corporate entities	Un-identified	
	Permanent inhabitants			Temporary residents					
	The <i>Naxis</i>	The <i>Hans</i>	Others	The <i>Hans</i>	The <i>Naxis</i>	Others			
Tourist shops									
• Commodity sales/ Service industry	48	6	1	70	1	15	4	0	145
• Providers of food and drink	26	2	0	7	0	3	0	0	38
• Accommodations	5	0	0	0	0	0	1	0	6
Sub-total	79	8	1	77	1	18	5	0	189
	41.8%	4.2%	0.5%	40.7%	0.5%	9.5%	2.6%	0.0%	100.0%
General shops									
• Commodity sales/ Service industry	42	5	2	17	0	4	15	3	88
• Providers of food and drink	2	0	0	7	0	0	0	0	9
Sub-total	44	5	2	24	0	4	15	3	97
	45.4%	5.2%	2.1%	24.7%	0.0%	4.1%	15.5%	3.1%	100.0%
Overall	123	13	3	101	1	22	20	3	286
	43.0%	4.5%	1.0%	35.3%	0.3%	7.7%	7.0%	1.0%	100.0%

Forms of shop ownership and the rented housing market

Table 3 summarizes the conditions of building ownership for the 263 individually-run shops, with figures being presented separately for permanent inhabitants and temporary residents. In the case of both permanent inhabitants and temporary residents, the majority of operators used rented dwellings for their shop premises.

The new town has been under construction next to the old town since 1985 and is expected to cover a total projected area of approximately 15 square kilometers. As of June 2000, approximately 20,000 people resided in the new town (Statistical data provided by Government of Lijiang County). According to a survey conducted by the Dayan Town government, 5,001 residents, constituting 1,527 households, had already moved from the old town to the new town during the period of 13 years between 1987 and 1999.

Table 3
OWNERSHIP CATEGORIES OF 263 SHOPS RUN BY INDIVIDUALS

Categoriesa of individual shop-operators	Business categories	Number of shops	Ownership category				
			Own property	Rented houses			Unidentified, others
				Private owner	Government owner	Company owner	
Permanent inhabitants	• Tourist shops	88	29	39	17	2	1
		100.0%	33.0%	44.3%	19.3%	2.3%	1.1%
	• General shops	51	13	22	10	6	0
		100.0%	25.5%	43.1%	19.6%	11.8%	0.0%
	Sub-total	139	42	61	27	8	1
		100.0%	30.2%	43.9%	19.4%	5.8%	0.7%
Temporary residents	• Tourist shops	96	2	60	23	6	5
		100.0%	2.1%	62.5%	24.0%	6.3%	5.2%
	• General shops	28	0	18	9	0	1
		100.0%	0.0%	64.3%	32.1%	0.0%	3.6%
	Sub-total	124	2	78	32	6	6
		100.0%	1.6%	62.9%	25.8%	4.8%	4.8%
Overall		263	44	139	59	14	7
		100.0%	16.7%	52.9%	22.4%	5.3%	2.7%

Note 1: "Private owner" refers to property owned and rented out by an ordinary city inhabitant.

Note 2: "Government owner" refers to government-owned property. The actual managing body in Lijiang is the Bureau of Urban Construction, Government of Lijiang County.

This was particularly so in the case of temporary residents, with more than 60% using premises rented from the private sector. Such a market for rented housing has come into existence since the 1980's as a result of the Chinese government's efforts to promote provisions for a real estate market as part of its economic reforms. Such market developments are currently evident throughout the nation. Additionally, the interview survey revealed that all of the owners of these private-sector rented premises were the *Naxis* with permanent-inhabitant status, of whom 33.1% resided in the new town, which lies adjacent to the old town (Table 4).

This worked out to a relocation rate of approximately 32.7% of the old town's population during that 13-year period (figure calculated by Dayan Town government in September 1999 from aggregated statistics in possession of Residents' Committees in the various districts under its control).

The new town was constructed in order to improve the standard of housing in the city as the government shifted from its former policy. A stagnated governmental housing policy prior to 1980 was perceived as causing serious housing shortages and contributed to the

Table 4

PLACE OF RESIDENCE OF PRIVATE OWNERS OF RENTED PREMISES

Place of residence	Number of owners (= Number of shops)			
	Tourist shops	General shops	Total	%
Lijiang County				
Old town	42	19	61	43.9
New town	31	15	46	33.1
Others	3	0	3	2.2
Sub-total	76	34	110	79.1
Other areas in Yunnan province	6	0	6	4.3
N.A.*, Others	17	6	23	16.5
Overall	99	40	139	100.0

Note 1: All owners were Naxis with the status of permanent inhabitant.

*Note 2: Many tenants do not know where their owners live.

deterioration of the housing stock in the old town. At the same time, Lijiang was designated as one of *the national historic-cultural cities* by the central government in 1986. In order to conserve the old town, the local government adopted a density control policy for the old town. This policy was an important motivation for the construction of the new town, as it was perceived as a device to decrease population and preserve the architectural density in the old town. Under these kind of circumstances, inhabitants who demanded more modern and spacious housing began purchasing ready-built houses in the new town or bought the right to use land in the new town to have their houses built. Moreover, as noted above, guidelines are currently in force in the old town, governing the appearance resulting from reconstruction or repairs of existing buildings, although as yet there is no system of aid available to provide public funding for reconstruction and repairs. Hence, the owners of the buildings must incur all costs involved in such work (from interview survey conducted on old town residents and Lijiang County government, May 2000). It is possible that this point is also one of the factors motivating the old residents to move to the new town.

Although, strictly speaking, it would be necessary to verify this by conducting a survey of the actual owners, it can probably be inferred from the foregoing that many of the shops currently in use as tourism businesses were buildings rented subsequent to such relocation of the residents. This would suggest that it has been the availability of just such rental housing, primarily consisting of Naxi-owned housing offered for rent in the private sector, that has made it possible for

temporary residents to make the kind of advances in the tourism business that were described in the foregoing section.

Local characteristics and proponents thereof in shops

Table 5 provides information on 145 shops selling tourist goods and services (hereinafter, tourist souvenir shops) that account for more than 70% of the business category of tourism in the locality surveyed, focusing on the presence or otherwise of local products in an attempt to classify them. Classifications included "Lijiang specialties", i.e. goods, crafted items or other commodities produced or manufactured in Lijiang Prefecture and demonstrating in satisfactory measure the local characteristics of Lijiang. Other items in this classification include printed matter and the like generally available solely in Lijiang. Other categories include "Specialties from elsewhere", i.e., specialty products obviously produced in any locality other than Lijiang and being sold in Lijiang and "Products deficient in local characteristics", i.e., mass-produced goods also available elsewhere, possessing no specific regional characteristics. The table further provides a summary of operator attributes for each of these types of shop.

Findings revealed that little more than one third of the shops sold Lijiang specialties, whereas specialties from elsewhere and products deficient in local characteristics were in greater evidence. In particular, the most numerous kind of shop was that which principally sold jade. There were 36 such shops, which represented 24.8% of tourist souvenir shops. However, imported

Table 5

TYPES OF TOURIST SOUVENIR SHOPS AND SHOP OPERATORS AS CLASSIFIED BY PRODUCT CHARACTERISTICS

Categories of local characteristics of products	Categories of products	No. of shops	Sub-total	Categories of shop operators			Temporary residents' share	Place of permanent-residential registration of temporary residents (Number of shop operators)
				Permanent inhabitants	Temporary residents	Corporate entities		
Lijiang specialties	Contemporary Dongba art ¹	27	53 -36.6%	14	13	0	48.1%	Within Yunnan (3), Guangxi (2), others (8)
	Herbal medicines, Tea leaf, Local liquor ²	17		8	8	1	47.1%	Within Yunnan (2), Sichuan (2), Anhui (2)
	Gold, Silverwork ³	5		3	2	0	40.0%	Dali (1), Fujian (1), Others (3)
	Local books ⁴	4		4	0	0	0.0%	—
Specialties of elsewhere	Jade and Woodcarvings ⁵	21	50 -34.5%	0	21	0	100.0%	Fujian (14), Ruili (4), Others (3)
	Jade ⁶	15		2	13	0	86.7%	Fujian (4), Henan (2), Myanmar (2)
	Specialties of other ethnic groups or regions ⁷	7		1	6	0	85.7%	Guizhou (2), others (4)
	Indigo-dyed goods ⁸	5		2	3	0	60.0%	Dali (2), Guangxi (1)
	Woodcarvings ⁹	2		1	1	0	50.0%	Fujian (1)
Products deficient in local characteristics	General souvenir items ¹⁰	28	41 -28.3%	16	11	1	39.3%	Kunming (6), others (5)
	Ethnic-style clothes ¹¹	7		2	4	1	57.1%	Henan (2), Dali (1), Heilongjiang (1)
	Antiques ¹²	6		2	4	0	66.7%	Heqing (3), Guangxi (1)
Others	Ticket office ¹³	1	1 -0.7%	0	0	1	0.0%	—
Overall		145	145 -100.0%	55	86	4	59.3%	—

¹ E.g., handicraft items drawn with traditional cultural motifs of the Naxis, such as Dongba pictographs, religious paintings. (e.g., pottery, gourds, T-shirts, etc.)

² E.g., herbs and tea leaves produced in the alpine belt of Lijiang, liquor made from barley or sorghum, etc.

³ E.g., a traditional industry of Lijiang. (e.g., necklaces, bracelets, etc.)

⁴ E.g., books published in Lijiang, collections of photographs of Lijiang, postcards, etc.

⁵ E.g., shops that provide both jade and woodcarvings.

⁶ E.g., shops that provide only jade. Jade is a specialty of Myanmar.

⁷ E.g., handicrafts of minority races. (e.g., the Miaos, the Kazaks, Tibetans, etc.)

⁸ E.g., handicrafts of the Bais

⁹ E.g., shops that provide only woodcarvings. Woodcarvings are specialties of the southern regions of Yunnan Province.

¹⁰ E.g., items that are available everywhere in Yunnan Province; mass produced products, such as money pouches, dolls, etc.

¹¹ E.g., items that are available everywhere in Yunnan Province; mass produced imitations of native dress.

¹² E.g., old coins, old photos, Buddhist images, etc.

¹³ E.g., tickets for the cable car of Jade Dragon Snow Mountain

Note: Source of specialty product or service ascertained from in-person interview with shop and a referenced source (Guo ed., 1999)

from Myanmar via the southern regions of Yunnan Province, these jade items have nothing whatsoever to do with the natural environment or culture of Lijiang. Further, a look at operator attributes reveals that just under 60% of all shops are run by temporary residents, and particularly in the case of specialties from elsewhere, it was found that 44 out of 50 operators, i.e., more than 80%, are temporary residents. Representing 51.2% of the 86 temporary-resident operators of tourist souvenir shops, this figure indicates that the flood of products without local characteristics is associated to a considerable extent with the population influx. It thus can be seen that, as things currently stand, the temporary residents are responsible for actively promoting a tourist industry based on commercialism, so much so that it owes its existence to the import of products from other localities that have nothing to do with the original local culture. As mentioned earlier, the system of family registration makes it difficult for temporary residents to take up permanent residence in a new locality. According to a government official in charge of such matters, this is an underlying reason why many operators tend to go to earn money in a prosperous tourist destination, only to move out and on to another locality when that destination ceases to prosper economically. This could also be one of the reasons that the tourist industry as practiced by temporary residents tends toward commercialism (based on interview with Lijiang County Bureau of Public Security June 2000).

If we view the activities of tourism in terms of “a cultural exchange between hosts and guests (Smith 1989)”, then surely there would be a need for the hosts to convey more effectively their sources of pride to their guests. In this sense, it is surely a baneful characteristic of the times, at least in as far as interaction through the medium of tourism-related goods is concerned, that so little opportunity can be found to convey local allure to guests.

When it comes to Lijiang specialties, the *Naxis*, with their permanent inhabitant status, could be expected to have advantages with regard to the supply, production, and sale of such goods. Indeed more than half are handled by permanent inhabitants, predominantly the *Naxis*. On the other hand, however, over 40% of such specialties are handled by temporary residents. A comparatively large number of such temporary residents have begun to deal particularly in contemporary *Dongba* art objects, i.e., a recent development in handicraft items characterized by traditional cultural motifs

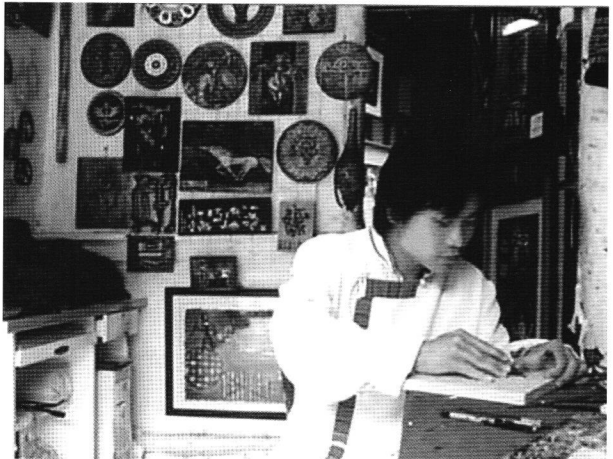
of the *Naxis* (Photo 3). Of the 27 operators here, approximately half (13 operators) are temporary residents (Table 5), of whom 12 belong to the *Hans*. (Photo 4. The relative proportions of permanent inhabitants and temporary residents were as follows. Permanent inhabitants: the *Naxis* 12, the *Hans* 2; Temporary residents: the *Hans* 12, the *Naxis* 1)

Photo 3
AN EXAMPLE OF CONTEMPORARY DONGBA ART OBJECTS



Source: Photograph courtesy of the author, September 2001

Photo 4
THE HAN OPERATOR CARVING PICTURES FEATURING DONGBA PICTOGRAPHS



Source: Photograph courtesy of the author, September 2001

Contemporary *Dongba* art objects involve modern settings of traditional *Dongba* art, which is the religious painting characteristic of members of the *Naxis* of Lijiang. The artists bring an original resourcefulness to bear in endowing the surfaces of multifarious materials with pictures and coloring. The shops take the form of workshops that produce and sell the artifacts on site (Photo 5).

Photo 5

A HANDICRAFT SHOP SELLING CONTEMPORARY DONGBA ART OBJECTS



Source: Photograph courtesy of the author, September 2001

Originally, traditional *Dongba* art were paintings created for religious purposes, and they depict myths and scriptures, using motifs such as spirits, people, plants and animals, monsters and *Dongba* pictographs (over 1,400 pictographs specific to the *Naxis'* writing system) to illustrate sutras and festival scrolls (Guo ed. 1999). However, from the establishment of the People's Republic of China in 1949 until the adoption of open policies at the end of the 1970s, the *Dongba* religion, like other religions at that time, had its beliefs restricted by the government, and in particular it was banned during the period of the Cultural Revolution (1966-1976). During this time, not only did *Dongba* festivals practically disappear from the Lijiang area, but the succession of *Dongba* culture from generation to generation was also brought to a standstill (Gao ed. 2001). As a result, traditional *Dongba* art, as art with religious authenticity, virtually ceased to be produced (Yamamura 2003). Therefore, Contemporary *Dongba* artworks, which have begun to be produced in recent years, are simply pure works of art without any religious purpose and meaning.

As Henrici (1999:165) points out with respect to the authenticity of tourist art which is based on the traditional art of a specific ethnic group, usually, "ethnicity as an aspect of identity becomes a label of authenticity that certain people, those with the 'authority' of expertise, may give to other people or an art form". The same is true of the authenticity of contemporary *Dongba* art as tourist art. Because of the cultural context mentioned above, importance is generally attached to the question of whether each creator of the art be-

longs to the *Naxi* ethnic group or not. In other words, there is no scheme for publicly authorizing authenticity; there are, however, creations that use traditional *Naxi Dongba* art techniques, designs, and motifs and add new ways of expression. Such creations are recognized by residents and tourists as authentic and contemporary *Dongba* art (Guo ed. 1999:479, He ed. 2000:506-507, Yamamura 2003).

According to information revealed in an interview survey, Mr. A, a *Naxi* craftsman, began creating in 1996 or thereabouts carved pictures featuring *Dongba* pictographs and *Dongba* pictures. Extremely elaborate and of great artistic value, his creations were thus expensive and have failed even now to establish a place for themselves as souvenir items. On the other hand, however, the people of the incoming *Han* population, despite having had no contact with the culture of the *Naxis*, have apparently begun to create some reasonably priced (10 – 20 CNY per item) products that, albeit crude, are engaging as souvenir items for no other reason than that the *Hans* excel at fashioning merchandise (information gained through multiple interviews with operators May 2000). While this indicates that the incoming *Hans* play a significant role in the processes involved in the commercialization of products and in present-day business management, it also suggests that the local community, which would normally be the perpetuator of its culture, has lacked the cumulative know-how to create a successful industry.

Turning to specialties from elsewhere, it was found that jade and woodcarvings occupy the greatest number of shops, both often being sold in the same store (Photo 6). Almost all of such stores are operated by temporary residents. Also evident is a concentration of operators from a particular locality, in that, of the 38 shops selling both jade and woodcarvings or one of the two, 50% (19 operators) hailed from Fujian Province. Many points remain unclear as to what lies behind these developments, and further investigations into this subject are needed in the future.

Comparatively large numbers of people, both temporary residents and permanent inhabitants, engage in business surrounding general souvenir items. Such products can be seen everywhere in Yunnan Province, from which it can be inferred that extensive distribution networks make those items relatively easy to stock and that this is an easy type of business to take up for both permanent inhabitants and temporary residents alike.

Photo 6

A JADE SHOP OPERATED BY A TEMPORARY RESIDENT



Source: Photograph courtesy of the author, June 2000

Partly no doubt because few people are entering business related to products other than those described above, no significant trend in operator attributes was observable in areas related to such other products.

Anyone wishing to operate a store in Lijiang currently needs to apply for permission from the Bureau of Commerce and Industry and the Bureau of Taxation and then be granted the respective permits, i.e., a “Commerce and Industry Operator’s Permit” and “Certificate of Tax Registration”. Thus far, however, there have been no restrictions based on the family register status of the operator or on the items for sale. As for the system governing the conservation of the old town, the principal restriction was on the external appearance of the building façade, while there were no rules governing how building interiors were used or the nature of the products on sale. However, amid the rising prosperity of the tourist industry and the attendant flood of specialties from elsewhere, both town and county governments began to recognize that such products were

“not in keeping with the characteristics of the old town and a negative influence on the promotion of tourism”. As a result, as of December 1999, the authorities prohibited the opening of any further new shops engaging in the sale of jade and woodcarvings in the central section of the old town. At the same time, it was decided to start encouraging sale of Lijiang’s own distinctive handicrafts and to start giving preference to the sale of artifacts fashioned in silver and *Dongba* art objects when awarding permits to operate in the central section of the town. Nonetheless, the authorities go no further than the preferential granting of operating permits and have adopted no policies whatsoever to support the local people in developing industry, whether providing aid to business entrepreneurs or education and training in the skills needed to produce handicrafts (information from interview with Jian-Fen He, mayor of Dayan Town, November 2000 and the reference: Office of the UNESCO Regional Advisor for Culture in Asia Pacific 2000a).

DISCUSSION

In view of the matters clarified by the results of this study, it is possible to identify the following two points as current social and cultural problems that may pose barriers to the development of a sustainable cultural tourism industry for the old town of Lijiang.

Firstly, there are indications that incentives to keep the former inhabitants residing in the old town are weakening. In other words, although local real estate-related data was not available, the designation of Lijiang as a World Heritage site and its ongoing transformation into a tourist destination may be expected to raise the value of land and buildings put to commercial use in tourism and to stimulate the real estate market. It is also a fact that most of the former inhabitants have little experience with capital and business management. Given this context, they are likely to move out of the old town. As noted above, the population of China now enjoys a degree of freedom of movement, while the country is also seeing the development of a real estate market. In such circumstances and according to market principles, there will naturally come to reside in the locality people capable of putting the land and buildings to effective use. As to the tourism business, it is easy to imagine that this will mean an influx of people that possess sufficient capital to open shops and sufficient know-how to raise profits. Further, given the lack of government policy for providing the local com-

munity with aid to develop its industry, naturally the temporary residents will have the advantage in store management over the existing inhabitants, in that the temporary residents have more financial capital and experience. Such a structure will no doubt largely contribute to a state of affairs in which an increasingly greater proportion of temporary residents will come to operate tourism-related shops, while many former inhabitants will see it more to their advantage to move out of the old town and live off the rents accruing from leasing their former rooms to the temporary residents.

Although there currently are guidelines to protect the old town, there is no system of aid available to provide public funding for reconstruction and repairs of existing buildings. Hence, the owners of the buildings must incur all costs involved in such work (from an interview survey conducted on old town residents and Lijiang County government May 2000). With respect to guidelines to protect the old town, government support and related policies are insufficient to induce the inhabitants to continue residing in protected buildings. It should be fully recognized that this point is one of the factors behind the weakening of incentives to keep former inhabitants living in the old town.

Of course, it is entirely legal for a new population to move into Lijiang after completing formal procedures and for these new inhabitants to operate shops. Such rights are guaranteed to all people in China today, which is encouraging the liberalization of its economy. What must be emphasized is that the problem at present is not the influx of outsiders but rather the weakening of incentives to keep the original population living in the old town, which is accelerating the influx of outsiders.

Secondly, the *Naxis*, who are the successors to the original local culture, have proved incapable of bringing to bear sufficient independent initiative in the creation of the tourist industry. On the other hand, temporary residents are applying business specialization and aggressively developing the tourist industry along commercial principles.

The upshot has been that the content of much of the tourist industry has little contextual bearing on the locality. This gives rise to the problem that tourism-related products do not successfully serve in communicating the allure of the locality, thus adversely affecting the process of host-guest exchange. Such a tour-

ist industry, which is not based on the existing cultural resources of the region, is almost completely unrelated to existing industries. It appears that such an industry has extremely low potential to be a sustainable local industry because it has extremely low potential to trigger the chain reaction of regional economic development. Furthermore, under the family register classification system, temporary residents may not reside permanently in Lijiang. Consequently, it is highly likely that they will sell large volumes of popular products at low prices and take the profits from their short-term business activities outside the region. In any case, such factors are also likely to threaten the sustainability of the tourist industry of the region.

Certain points within this context should be underscored. There is no government aid available for industry. Consequently, it is likely to be difficult for the former inhabitants, who are relatively disadvantaged in terms of capital and business expertise, to enter the tourist industry, even if they so desire. It appears that this point is reflected even in the example provided by contemporary *Dongba* art, which is based on the distinctive culture of the region. Here too, temporary residents play the major role in commercializing the art and managing it as a business.

Another point is that the people in the new population influx may not be assimilated smoothly into the local community and may, in many cases, not fully respect the local context. Almost no discussions concerning this perspective have taken place in China, which has hitherto clearly classified its population into region-internal and region-external categories by means of the family register classification system. Even in Lijiang, this issue has at the present stage received almost no attention in terms of policies. As long as this point is not understood, however, the population influx is highly likely to continue growing the tourist industry in a form that will be difficult to fit in with the regional economy, and this will be disadvantageous for the sustainable development of the regional economy as a whole. As mentioned previously, the central government has announced a plan for a complete reform of the family register classification system. Nonetheless, it appears to be just a matter of time before the disappearance of residence restrictions on population inflows. The next questions are likely to be how the new inhabitants will be incorporated into the local community and how to build a new community in which the old and new residents will live side by side.

CONCLUSIONS AND IMPLICATIONS

In the light of what has been described above, one can point to the following challenges that remain with regard to the existing tourist industry in this locality.

First of all, local government should adopt policies that will enhance incentives so as to induce the former inhabitants to continue residing in the old town and to engage more vigorously in the tourist industry. In other words, it will be necessary to draw up an old town protection policy and a industrial development plan incorporating support, in the form of old town protection policies, to keep residents living in protected buildings after taking into account real estate market trends and the role of tangible and intangible cultural resources in connection with World Heritage designation and Lijiang's transformation into a tourist destination. More specifically, it is necessary to foster the kind of local industry that will enable the local community to keep abreast of the high economic value and high rental charges of the protected buildings. If this is to be achieved, it will be necessary to take squarely into account that, despite the opportunities of the local community to commercialize its own distinctive culture, as exemplified by the case of contemporary *Dongba* art, the lack of specific forms of support has at present failed to create an internally generated industry. The task ahead will thus include policies for the promotion and aid of local industry, which will specifically involve, among other measures, providing the training of human resources and the kind of instruction that will put handicrafts on a commercial footing, as well as the provision of systems to provide aid in the form of funding to entrepreneurs. Once such policies have stimulated the application of existing organizations and networks and thereby invigorated attempts to create industry fueled by the original local context, it is believed that tourism-related activities will come to play a part in conveying local appeal to visitors and enabling the original culture of the heritage site to be perpetuated.

A further important issue to address is how temporary residents can best use their capital and know-how to engage in tourism-related activities as hosts best qualified to convey local appeal.

Such a perspective could be applied not only to World Heritage city sites or other historic cities involved in trying to carve out a policy among the many conflicting tradeoffs of conservation and tourism development,

but also extensively with respect to urban sustainable tourism in general.

Cities, and especially their CBDs, are generally the core of the regional economic zone, where population, industry, art, and culture congregate. Characteristically, the more business activities increase, the more fluid the resident population. Viewed from the standpoint of preserving distinctive regional cultures, the characteristics of such cities may have a negative function. However, the increasing fluidity of the population may well generate opportunities, when viewed from the standpoint of stimulating business activities and creating new cultures and industries. The old town of Lijiang, which has been covered in this study, is an illuminating example of a regional urban center in which tourist-oriented business activities have been stimulated, in other words, a center in which the CBD and TBD coincide. This study of Lijiang reveals certain compelling insights. To achieve sustainable tourism development in an urban setting, it is necessary to understand the characteristics of the urban social environment such as population flows and mixed residence patterns rather than viewing the population as immobile, to recognize the advantages and disadvantages of this environment, and to reflect these characteristics in planning and policy-making.

More specifically, for cities to seek sustainable development through cultural tourism from the viewpoint of community development theory, the important conditions are firstly to seek to preserve the community's own distinctive cultural resources and to foster the development of tourism by the traditional community on its own initiative. However, this is not enough. It is also necessary to follow the realities of the city's social environment and to comprehend the local community (host society) in terms of population flows. Next, the people within the population influx should constructively evaluate the roles that they play in the development of the economy and culture, and while they respect the historical and cultural resources of the city, the local government should put in place a framework in which the old inhabitants can take part in energetically creating a cultural tourism industry. By doing so, it may well be possible to convert the characteristics of the city's social environment into advantages for the realization of sustainable tourism.

In a World Heritage city like Lijiang, there is a tendency to emphasize only the value of its cultural treasures, the authenticity of its history, and the ethnicity of the

population. However, doing so is apt to lose sight of the presence of mixed residence patterns and a multi-cultural symbiotic society. When thinking of ways to preserve and pass on an indigenous urban ethnic culture and whether the tourist industry will be useful in this endeavor, what should never be forgotten is that the actual players are an urban population with a variety of cultural backgrounds, as the results of this study have clarified.

This paper has taken as its subject the central section of the old town, which is quite limited in scope, while the indicators used as the basis for its analysis have also been quite limited. It is thus necessary to regard the findings of this study as of qualified usefulness. Notwithstanding this limitation, this study does implicate underlying dynamics to the process of tourism development in the city and suggests that these influences have a powerful impact on the local community in the old town of Lijiang. Moreover, they also do strongly suggest that the current architectural regulations alone, solely focusing as they do on the physical aspects of the preservation of the World Heritage, are insufficient if the old town is to be adequately preserved. Instead, this strongly indicates that a community that consists of a broad range of attributes must conduct discussions regarding the protection of its own heritage in keeping with the characteristics of its social structure – discussions on how to pass on the distinctive cultural heritage of the community. One urgent issue raised in this study is the need for re-evaluation of current policies to conserve and maintain historical areas in Lijiang, China.

This study was unable to identify the existing inhabitants' organizations and networks that were mentioned above as needed when seeking future solutions. Henceforth, it can be said that there is a need to focus on the old town in its entirety and on the growing trends to tourism not only in shops but in other aspects in an attempt to ascertain what networks and organizations exist and how they should be applied.

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