

2

About Face: The Political Evolution of Chinese Tourism Policy

You can't go further than China.

—A Chinese proverb

NOT ONLY is it difficult to go further than the People's Republic of China (PRC) in terms of culture and political heritage, for three decades most travelers were forbidden from going there at all. Yet in the 1980s this bastion of communism has become the unlikely "hot" destination for tourists.

The political decisions that have led to this improbable tourism boom illustrate the volatility of Chinese policy-making and the massive re-evaluation of acceptable strategies that is currently underway.

The topic is not an easy one to investigate, because unlike most of the other countries this book examines, the PRC remains a closed society with information other societies consider totally innocuous treated as *neibu* (restricted materials).¹ Even the telephone book for the PRC (about the size for a U.S. town of 50,000) is not a public document. So-called public buildings are not, and even published accounts designed for foreign readers are often, as we shall see later, more cryptic than candid. Illustrative of the frustration many feel when attempting to use Chinese sources is one article on Chinese joint ventures entitled "Data: the Figures, not Necessarily the Facts."² Not only is information scarce, Chinese tourism policy is in a considerable state of flux, making it difficult for researchers and politically unnerving for those in Chinese tourism administration to say with great certainty what directions the policy will take.³ This is a problem consistent with policy-making for other sectors of the economy.

Chapter 2

This chapter is based on my travels and interviews in eastern China in 1981 as well as on dozens of accounts and analyses of Chinese scholars and tourism specialists who have been there either before or since. These form an interesting and complex mosaic, but scarcely a completed puzzle. Keeping those caveats in mind, I will boldly plunge ahead (one is tempted to call it in this context "A Great Leap Forward") to outline the evolution and probable impact of mass tourism on Chinese developmental goals.

BACKGROUND

Chinese tourism policy from the 1949 establishment of the People's Republic of China until 1977 can be summarized as cautious at best and characteristically negative in nature—the fewer outsiders the better. This attitude was not unreasonable. For most of the first two decades of the PRC's existence, major tourist-generating countries were unrelievedly hostile to the communist regime. Travel to the PRC was forbidden by the United States and many other western governments. China reciprocated by generally denying entry to most foreigners. Chinese opposition further hardened and enlarged when Chinese troops fought against United Nations troops in Korea.

By 1953, however, the government began the first of several tentative steps designed to allow travel to the PRC. The Beijing Overseas Chinese Travel Service was created to manage overseas Chinese who were seeking to visit relatives and friends.⁴ The government continues to have a distinct organization, separate accommodations, and a generally separate tourism apparatus for overseas Chinese.

In 1954, China International Travel Service (CITS) was established to shepherd groups of "foreign friends" to a few sites. Although CITS branches were set up in several major cities, tourism of this kind remained essentially a public relations exchange with representatives of a few friendly countries.

In the early 1960s the PRC, it is now claimed by post-Mao tourism officials, was eager to increase tourism. A General Overseas Chinese Travel Service was set up in 1963 (no one ever explained what this new reincarnation was designed to do over its predecessor) and The China Bureau of Travel and Tourism, under the State Council, was established a year later. Still, tourism was scarcely in a "take-off mode," as figures show that, in 1966, CITS still handled no more than 4,500 foreign tourists.⁵

THE POLITICS OF TOURISM IN ASIA

CITS was and is today essentially modeled on the assumptions that Chinese governments from the time of Confucius to the era of Mao Zedong have had about foreigners in general, namely that foreign access to Chinese society should be delimited. Some have seen this as a result of xenophobia or a fear of manipulation by outsiders. Others have seen the intention as more political than psychological. First, there was the overall belief that important travelers should not go unescorted, regardless of the regime. The language barrier was part of the reasoning, but more importantly, escorts assured that tourists would not have contact with Chinese who might offer contradictory interpretations of political reality.

Historically, Chinese governments have gone to no end of trouble to keep foreigners and Chinese citizens apart, so the Communists cannot be accused of inventing the practice. They do, however, have a genius for coopting historical precedents like this and transforming them into rigid institutions.⁶

Second, these groups were screened for their sympathy to the regime, then billeted in quarters built for the huge Soviet aid contingents prominent in the 1950s. Until the mid-1980s, hotels built in the ponderous Stalinist style of architecture, often capped incongruously by traditional Chinese roofs, formed the core of the tourist accommodations in key cities.

The Great Leap Forward (1958-1960) and the Cultural Revolution (1965-1970)⁷ made the expansion of tourism a non-issue. Priorities were elsewhere. The highly touted Nixon visit and the invitation to the U.S. table tennis team notwithstanding, the United States did not recognize the People's Republic of China until 1978, although it did drop its barriers to travel there in 1972. In general, only formal exchange visits, a few sympathetic writers, and some business people on specific assignments were allowed to visit the PRC before 1977.

In 1974, the China Travel Service (CTS) replaced the General Overseas Chinese Travel Service. Indeed about the only tourist activity seemed to be in terms of the overseas Chinese, about which little information is available in non-Chinese sources. The CITS, on the other hand, after 22 years of existence, had direct travel contacts with only six Japanese travel agencies and a handful of western organizations such as friendship associations.⁸

Chapter 2

As late as 1976 Vice-Premier Li Xiannian told a visiting American political figure that the PRC was not planning to expand tourism in the foreseeable future. But, within months, the policy abruptly changed. The death of Mao Zedong ended the influence of Jiang Qing, Mao's wife, and three other leftist leaders. These activists, since branded the Gang of Four, had been credited with some of the worst excesses of the Cultural Revolution. They had also been harsh critics of Deng Xiaoping, whom they attacked for "capitalist tendencies." It was just those tendencies that resurfaced in the form of policy when Deng was made vice-premier, vice-chairman of the party and chief of staff of the People's Liberation Army.

Chinese sources simply announce that the beginning of tourism as an industry began with the third session of the eleventh Congress of the Central Committee of the Communist Party of China in 1978.⁹ It was at that congress that the party officially endorsed the "Four Modernizations." The new label signalled a four-pronged effort to rapidly modernize agriculture, industry, national defense, and science and technology. Although couched in party rhetoric, the Four Modernizations represented the latest and certainly the most pragmatic campaign designed to mobilize the billion-plus Chinese citizens. Tourism was one of the sectors most dramatically affected by the new program.

Though today it is fashionable in the PRC to date all positive change in recent years from the fall of the Gang of Four, such scapegoating distorts history. The PRC's isolation from global relations had been eroding for years. The 1971 admission of the country into the United Nations accelerated diplomatic recognition between the PRC and scores of nations. The thaw in U.S.-China relations had begun. The less ideological stance of Deng simply encouraged the West and Japan to feel that expanded trade was feasible. The PRC saw the expansion of tourism as a logical component of its post-Cultural Revolution normalization strategy. Also, tourism, as the *People's Daily* put it, "not only promotes mutual understanding and friendship," but "accumulates funds for the splendid plan of our Four Modernizations."¹⁰

Six months after Mao's death Western cruise ships were visiting Chinese ports for the first time in 30 years. The China Travel Service and CITS had begun to struggle with hundreds of thousands of visa requests. In January, 1978, the first national conference on tourism was held to formulate guidelines and organizational details to cope with the pent-up demand. Imple-

THE POLITICS OF TOURISM IN ASIA

menting them would, however, prove an incredible task. In 1978 CITS handled 124,000 foreign tourists, a figure equivalent to the total it had dealt with in the previous 24 years of its existence! Between 1977 and 1980 tourist arrivals doubled each year.¹¹ From 1980 to 1985 growth averaged 21 percent, slowing to a quite impressive 8.5 percent in 1986 (see Table 2.1). Between 1977 and 1986 there was little doubt that the PRC was making every effort to expand its tourist infrastructure and training capabilities. Crash courses in English and Japanese were set up to meet the needs of guides and for other commercial contacts. By 1987, 10 percent of all Chinese were studying English.¹²

Unprecedented joint ventures with Western capitalist firms were being established. Their guidelines, established by the Fifth National People's Congress, were rather strange from a Western perspective. There had to be a minimum 25 percent foreign ownership but no upper levels were specified, nor was there anything definite on taxation and profits. The vagueness was less a product of wily maneuvering on the part of the Chinese than a reflection of the country's lack of a framework for commercial law.¹³

Once the details were filled in, many of the early hotel agreements fell through. From the international travel industry's point of view, the Chinese simply wanted to allow the hotels too short a time in which to recover initial costs and a modest profit. Now most agreements are in terms of management contracts.¹⁴ Although the exact terms of foreign investment took an inordinate amount of time to develop, the amazing fact was that those investments were occurring at all in a country that for 30 years had forbidden foreign ownership or even much private Chinese ownership within its borders. Moreover, by 1980 hotels proved to be extremely lucrative investments for foreign capital since they combined high demand, low building costs, and cheap labor, with the ease of repatriating profits.¹⁵ The latter advantage, however, suggests that the PRC may be losing foreign exchange in the process.

Another reversal took place in the training of personnel to staff the burgeoning tourist infrastructure. The Cultural Revolution had for years inculcated a hostility toward people and things western. That approach was unceremoniously junked. Maxims preaching friendliness, service, and courtesy toward "foreign friends" sprung up everywhere. Not only chefs but some waiters were sent to Hong Kong for polishing in cuisine and etiquette. Special schools of tourism were established near

Table 2.1. Visitor arrivals (in thousands) in the People's Republic of China, 1978-1985.

	1979	1980	1981	1982	1983	1984	1985	1986
Foreigners ^a	362	529	675	765	873	1,134	1,370	1,480
Overseas Chinese	21	34	39	43	40	47	85	
Hongkong/ Macau/ Taiwan ^b	3,821	5,139	7,053	7,117	8,564	11,718	16,379	21,330
Total ^c	4,200	5,700	7,770	7,920	9,480	12,850	17,830 ^d	22,800
Received by CITS	164	219	268	316	320	380	469	n.a.
Received by CTS	806	695	886	865	908	826	773	n.a.
Received by CYTS	n.a.	n.a.	n.a.	24	29	47	52	n.a.

NOTES: a. Non-Chinese.

b. Chinese from these three areas.

c. Figures are rounded off.

d. Revenues were more than \$13 billion.

n.a. = not available.

SOURCE: NTA and *Far Eastern Economic Review, Asia Yearbook, 1987, p. 130.*

Beijing Blank Page and several other cities and tourism representatives were sent abroad for courses on tourism or on fact-finding tours to learn from more established tourism centers, such as that at Cornell University in New York.¹⁶

Of course what was happening in tourism policy was only a microcosm of what was happening in Chinese society at large. The previous major thrusts in Chinese policy since 1949, the Great Leap Forward and the Cultural Revolution, caused convulsive changes and massive political strife. In hindsight they seem dismal failures. Though the Cultural Revolution had a high economic growth rate, its disruption of the educational process is even now felt in most sectors where people in their thirties and forties lack basic training. The Four Modernizations, al-

though certainly a sweeping departure from the policies of the Cultural Revolution, seem by contrast almost totally lacking in ideological content.¹⁷

What surprises Westerners is, in fact, the result of our tendency to take a historical approach to politics. Sinologists, by definition a group used to the big picture, argue that even the communist system, let alone the Four Modernizations, does not represent a fundamental break in Chinese tradition. They contend that China has for centuries been a centrally directed bureaucratic state “given to abrupt and sweeping changes in policy and in its relations with the outside world.”¹⁸

This period of dramatic economic change also ushered in a comparatively liberal era in domestic policy. Letters to the editor occasionally criticized the window dressing for tourists and chided the regime on its preoccupation with tourist needs. The Chinese were stunned by the famous *dazibao*, or big character posters, with their mild expressions of criticism and requests for regime action on several issues. But the Xidan Democracy Wall, where the posters flourished for several months, became in 1980 just another wall for advertising. By 1981, my Beijing guide professed never to have heard of the Democracy Wall. The thaw in regime attitudes toward dissent was brief indeed.

Perhaps that was to be expected. As Peter Moody, Jr. stated, “Liberalization in a non-liberal state will generally be a power play. It will be undertaken when it promises gains for those who cause it to be undertaken—one assumes by those with sufficient power to disrupt the status quo, but without sufficient power to be fully satisfied with it.”¹⁹

By the end of 1980 many of the heralded reforms were being called “readjustments” and by 1982 allegations against liberal reforms as encouraging greed and speculation were commonplace. Chinese youth were cautioned to be careful of capitalist, bourgeois influences.²⁰ Yet by 1984, Communist party pronouncements appeared to be increasingly tolerant of Western influences in fashion, music, and even industry, as long as party control and civil rights were not issues.²¹ By 1986, hotel discos, video games, and the latest Western rock cassettes were available to tourists as well as to many Chinese, and development plans included a golf course, horse race track, aquarium, and amusement park!²²

Even as the political atmosphere within the PRC waxed hot and cold depending on the specific issue, relations with the United States continued to warm. President Carter’s decision

Table 2.2. Visitor spending in the PRC, 1978-1986.

In U.S. \$ million								
1978	1979	1980	1981	1982	1983	1984	1985	1986
263	n.a.	617	785	843	941	1,131	1,250	1,530

n.a. = not available.

SOURCE: NTA—Travel Business Analyst

to grant formal recognition to the PRC and to exchange ambassadors and consular staff signaled U.S. approval of policies of the new Chinese administration.

By this time, Chinese tourism had experienced much more than mere increases in foreign visitors. What happened represented an entirely different dimension in the visitor industry. No longer were grateful and excited visitors selected from hand-picked special interest groups such as farmers and teachers. Most foreign travelers other than overseas Chinese continued to need group auspices, but visas were no longer terribly difficult to get. There are still places on the individual visa applications for indicating one's religion, political party, and level of competency in Chinese, but to what use such information is put is unknown.

Some intrepid travelers even managed to arrange independent travel, though the government was generally reluctant to allow them many choices of places to visit.²³ Barbara Letson, the author of a how-to-do-it book described her travel alone through the PRC, but it is unlikely that many of her readers will be tempted to devote major portions of their travel time to confronting Chinese bureaucracy. In an effort to be reassuring about what to do, she manages to be quite convincing in documenting that China is not the place to be a maverick or even an individualist. Letson's account of writing paragraphs of self-criticism for being in the wrong place at the wrong time may make an interesting anecdote, but it is not likely to inspire others to have such adventures.²⁴

China has been criticized for its massive and inconsistent price increases.²⁵ Costs to tourists were allowed nearly to triple between 1980 and 1983 as the original political emphasis on having foreign guests gave way to the more urgent need to accumulate foreign exchange for development projects, including the amortization of costs for investments in tourist facilities.

THE POLITICS OF TOURISM IN ASIA

A double standard in pricing has also been instituted, which means air, rail, and restaurant prices are two to three times as high for foreigners as for the Chinese people.²⁶ And yet the pricing policy is perhaps one of few remnants of a socialist ideology premised on "from each according to his ability...." The non-Chinese mass tourist costs the government more in tourist infrastructure and has fewer financial constraints than either the overseas or domestic Chinese (see Table 2.2).

Also, the PRC is determined to make certain that incentives for the industry per se do not mean net losses for the economy as a whole, as it has in many developing countries.²⁷ Further, there is a conviction that because so much of the Chinese economy is deliberately subsidized for reasons of health, safety, and basic transport needs, such artificially low prices need not and should not be passed along to foreigners. Pricing policies have therefore been pegged at levels comparable to those in the West.²⁸ John Bryden's summary of a planner's attitude in one Caribbean country is characteristic of the Chinese view. "Whether ... benefits for tourists exist is not our concern. It is not part of a developing country's responsibility to provide benefits to the wealthier inhabitants of developed countries, who make up the bulk of the tourist market."²⁹

The most important development in terms of the PRC's willingness to open the country to tourism has been the striking increase in the number of cities tourists may visit and the variety of activities they may pursue. In the early 1970s less than a dozen cities were open to foreigners.³⁰ By 1979, that number had increased to 60, by 1984 over 200 cities were opened, and by 1987, 496 cities could be visited by foreigners, including many in minority areas like Tibet.³¹ Whether, in fact, this represents any additional political risk of "contamination" from foreigners is, however, debatable. Contacts between tourist and citizen, beyond the most superficial, are quite exceptional and have in fact become more unusual after the slight thaw of 1977-1979. Anti-Chinese Tibetan nationalism led to riots in 1988 that abruptly halted tourism to Tibet for an indefinite period.

The PRC did not continue its tourism rate of 1977-1980 in the years from 1981 to 1988. Why this has happened is not entirely clear. Some contend that Deng Xiaoping's capitalist policies, of which tourism is a part, may have simply been considered too controversial. Others assert that the policies designed to get Deng into power were not necessarily created to be an ongoing program. Others, including myself, attribute the

Chapter 2

slowdown in tourism growth primarily to factors affecting the industry. Tourism had grown so rapidly that accommodations, training, site development, and transport could not keep pace. Even in 1987, hotels were running at 96 percent of capacity in most areas. Only Shanghai could forecast a future possibility of overcapacity.³²

Tourism analysts, for example, contend that the laudable desire to defuse tourism gains around the country by opening up more and more cities simply over-taxed an already inadequate tourist infrastructure. The Chinese government had underestimated the needs and expectations of this new group of international tourists and overestimated the demand to be just anywhere in the country. For almost everyone in the early years of the PRC's tourism program, theirs was a first trip to China. Therefore, nearly everyone wanted to see the top five or six premier destinations. The geographical breadth of such attractions also complicated the administration of tourism.

The PRC, long accustomed to glowing and uncritical praise from its foreign guests, was shocked by the many criticisms as tourist conditions deteriorated. Both the tourist and the nation needed to allow time for the PRC to digest the first wave of tourists, assess the impact, and assure that control of the industry continued to be geared to Chinese objectives rather than tourist demand.

It is, however, a terribly difficult process for the Chinese government or the tourist industry to really appreciate. As the ancient Chinese proverb claims, "a way of seeing is a way of not seeing."³³ For an outsider it is important to understand the mindset of Chinese tourism policymakers. Almost none had traveled abroad; therefore there was little awareness of what the tourist expected in terms of such mundane things as plumbing, accommodations, cleanliness, or freedom to move about. The foreign guests of the fifties and sixties gave the Chinese little indication of what to anticipate. Most were either state visitors moving in rarefied political circles, social scientists, teachers, and writers picked for their associations with pro-PRC organizations, or overseas Chinese who were staying with relatives who seldom toured or made demands.

The Chinese, historically, have expected visitors to be so impressed with being allowed in the country that they would be unlikely to quibble over arrangements. As Fox Butterfield explains in his brilliant book, *China Alive in a Bitter Sea*, "The very Chinese name for their country, *Zhong Guo*, is redolent of the

THE POLITICS OF TOURISM IN ASIA

antiquity and the pride Chinese feel about themselves. It means 'central country', the seat of civilization at the middle of the known world."³⁴

For 4,000 years, the Chinese rested secure in their superiority. The Chinese empire was unquestionably the greatest in the world, the "Central Kingdom," its boundaries coterminous with civilization.... In the early legends of the origin of the universe in China, there is an odd omission. There is no hint of any hero who led the Chinese to China from somewhere else. It was assumed that the Chinese originated in China. The pride all this inspired among the Chinese is something beyond western experience and comprehension. "Nationalism" is too paltry a word for it.³⁵

This sense of history and superiority is illustrated in the tribute system, by which Chinese allowed foreigners access to China upon receipt of gifts and expressions of loyalty. Even after a century of western penetration and humiliation of the Chinese, the communist government to this day spends an unusual amount of time in the formal (and televised) reception of outside dignitaries.

In no western country would most of these visitors be considered newsworthy; certainly in no western capital would senior officials devote so much time to greeting foreigners, however humble. But in China, it was a signal to the Chinese people that their country was again the epicenter of the world, a strong nation that respectful foreigners pay homage to.³⁶

To the new tourist, the country's chief appeal might be the status it confers on those who "get there first." It may reflect a genuine interest in this huge poor country they used to hear about from missionaries, or the special interest of history buffs intrigued with World War II. A large segment are the dauntless shoppers who see a bargain in every new destination and the buy of the century only a store away. To people who spend more time in Friendship Stores (the foreign currency stores) than in the Forbidden City, creature comforts loom larger than the Chinese could possibly have imagined.

Despite the rhetoric about "foreign friends" the Chinese have never had a history of friendly, intimate association with other nations. China's fine twentieth-century writer, Lu Xun, put it this way, "Throughout the ages, Chinese have had only two ways of looking at foreigners, up to them as superior beings

or down on them as wild animals. They have never been able to treat them as friends, to consider them as people like themselves.”³⁷

The stage was set for misunderstanding. Enter the travel industry, currently the chief and certainly not a disinterested source of information about how a nation should develop its tourism. They quite correctly assumed that the PRC probably would not know how to market successfully to the West. A case in point is their use of packaging, advertising, and symbols. A country with brands called Atomic Enemas, Fang Fang Lipstick, Pansy Brand Men’s Underwear, and Red Flag Sanitary Napkins can anticipate some marketing and imagery problems with the West!

The almost knee-jerk reaction of the international travel industry is to westernize, homogenize, and develop luxury accommodations and tour packages for the PRC. Luxury facilities do little damage or little good (except for shopping) when confined to western cruise ships merely stopping at Chinese ports. Capital-intensive luxury facilities take a far greater toll on foreign exchange, training, and maintenance capability when they are expected to be financed and maintained by a developing nation. What is good for the travel industry is almost never the only criterion a developing nation should consider, though it is often the only consulting perspective the nation may get. Despite the fact that Chinese officials visited many training centers and often took tourism courses abroad, they were essentially only exposed to an industry perspective. Area specialists, anthropologists, sociologists, and political scientists are seldom advisors in such training courses.

As the government faced the question of developmental costs and benefits and industry advice, it reorganized its administrative structure and began a series of conferences on what Chinese tourism should be like.³⁸

POLITICAL ORGANIZATION OF CHINESE TOURISM

“There are no experts on China; only people with varying levels of ignorance.”³⁹ Efforts to unearth information on Chinese tourism policy are seldom rewarded in the PRC. “Not available” is the standard reply. Even the rare opportunity of being able to talk with key national tourism officials and the head of the Tianjin CITS yielded only the most meager results. Interviews followed with six CITS city guides and one CITS national guide, plus the Chicago-based tour escort of China Holidays. Despite

their assistance the skeleton of tourism organization remained incomplete. It was encouraging, therefore, to find others also attempting—albeit with similar frustrations—to find out the kind of simple information that might appear on an organization chart in the West. “It has taken ... over three years of working with professional trainees sent by the Chinese travel services to study abroad, and extensive discussion with Chinese officials and managers to verify the organization of travel services in China.”⁴⁰ What follows then is a composite of the puzzle pieces various writers have found regarding the tourism structure and, more importantly, its political dimension.

In 1978, as a reflection of tourism’s emerging role in the Four Modernizations the China Bureau of Travel and Tourism was upgraded to a ministerial level organization, the General Administration for Travel and Tourism (GATT) (see Fig. 2.1). As such the GATT is the organization with overall responsibility for the development and implementation of Chinese tourism policy.

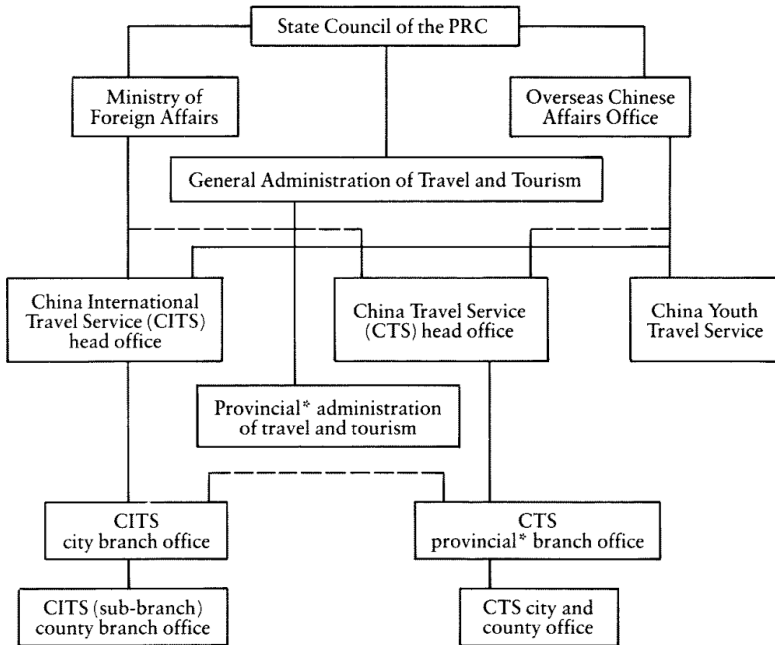
It is not, however, a public office one can visit. Like its subordinate organizations, CITS, CTS, and the new China Youth Travel Service (CYTS), it is surrounded by guards. Nor do these offices give out information on their organization or activities. Until recently no budget figures were available regarding the size of the government’s commitment to tourism and few figures have been released regarding the amount of foreign exchange earned.⁴¹ There is a tourism plan, but it is not available to the public.⁴² Presumably, it is easier to modify if few ever know what it is in the first place. It should be noted that there is no unusual secrecy surrounding tourism. It is simply the way the government usually functions.

The GATT has immense authority since few foreign companies can establish tour services in the PRC. However, the Ministry of Foreign Affairs is involved in the status and clearance of foreign tourists, while the Overseas China Affairs Office does the same for all persons of Chinese origin, regardless of their citizenship. This distinction extends throughout the travel organization as will be discussed later.⁴³

Tourist Categories

There are many categories—classes if you will—of tourists in the PRC, with separate policies and organizations for each category. The first consists of foreign guests who are usually with official or semi-official delegations. Short-term guests are housed in the finest Chinese hotels. Long-term residents in

Figure 2.1. Organization of travel services in the People's Republic of China.

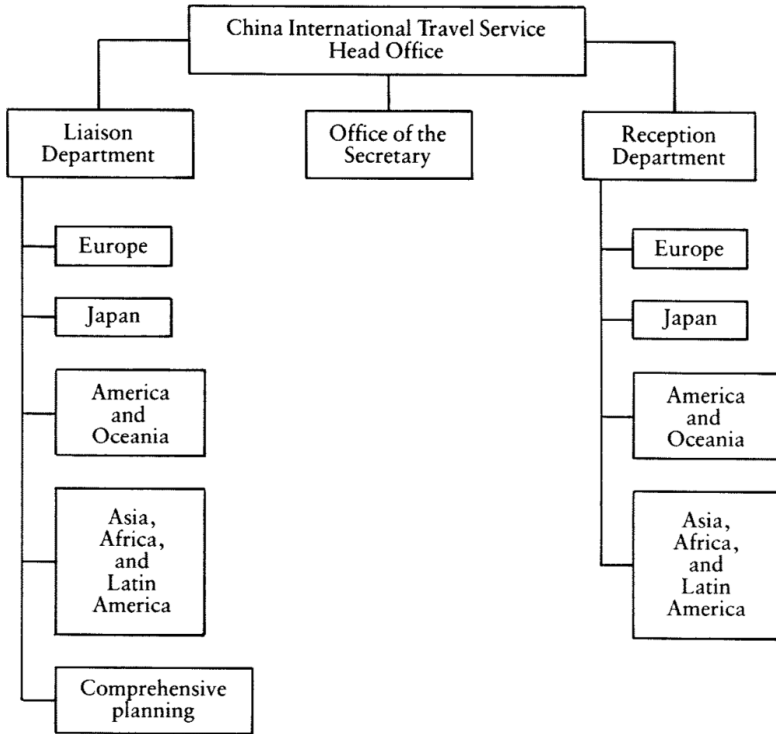


***Provincial here refers to not only the 21 provinces, but also the five autonomous regions and three municipalities of China.**

SOURCE: Dexter S. L. Choy and Chuck Y. Gee, "Tourism in the PRC—Five Years After China Opens Its Gates." International Journal of Tourism Management 4 (no. 2):116-119 (1983).

this category include journalists and embassy officials. Their travel is carefully planned with the Ministry of Foreign Affairs. Until the mid-1980s permission for trips took months, even years, of official requests. By 1984, however, the process had become considerably shorter. Characteristically, this category of traveler may also meet key government and cultural spokespersons, provided they are currently in favor with the regime. As Leys bitterly observed, "Foreigners meet about 60 individuals. The literary world is represented by two or three writers, always the same, who take care of visiting men of letters; the same is true of scientists, scholars, and so on" ⁴⁴

Figure 2.2. Organization of the CITS Head Office.



SOURCE: Dexter J. L. Choy and Chuck Y. Gee, "Tourism in the PRO—Five Years After China Opens Its Gates." *International Journal of Tourism Management* 4 (no. 2): 116-119 (1983).

The second category of tourist is the foreign, non-Chinese tourist whose visit falls under the auspices of the China International Travel Service (see Fig. 2.2). Tourists in this category constitute the most rapidly increasing element in Chinese tourism. They also are the ones targeted for bringing in foreign exchange. Consequently, most of the tourist infrastructure development is directed at this group. Since this category consists primarily of the affluent and experienced middle-aged traveler, this is a group with high comfort expectations and few proletarian sympathies.

Chapter 2

Ironically and unintentionally, conditions are quite democratic for them in what is essentially an extremely class-oriented travel hierarchy. Once in the PRC, because of the present confusion in organization and the shortage of facilities, expensive and budget-priced tours are treated in essentially the same way. The only real variable is the group's itinerary and even it cannot be guaranteed. In the high seasons of spring and fall, tourists on the priciest tours may be housed as modestly as anyone, while the most humble tourist may enjoy fine cuisine and accommodations during the off-season.

The third tourist category and by far the largest is that of the overseas Chinese. Out of the PRCs 7,924,261 visitors in 1982 all but 764,497 were overseas Chinese.⁴⁵ This group is broken into several categories. The first consists of those from the Republic of China, though the PRC does not recognize the nationalist government in Taiwan. The political position is reciprocated by the government of the ROC. The one thing both sides agree on is that there is only one China. The second group of overseas Chinese consists of visitors from Macau, the third people from Hong Kong. Chinese from other countries make up the fourth group of what the PRC refers to as "the four kinds of persons."⁴⁶ Separate statistics are kept on overseas Chinese and in general they are not considered by the government as international tourists.⁴⁷

For years, the PRC has actively competed with the ROC for approval, contacts, and financial remittances to relatives from overseas Chinese. Recently, commercial ties have also been encouraged. More modest facilities, separated generally from both other tourists and the Chinese people, are designated for overseas Chinese. Their travel is organized by the China Travel Service but additional and separate divisions for them exist in the visa departments of most Chinese embassies. As one writer recounts, an entire village may benefit from the PRC's public relations efforts to woo overseas Chinese:

For a solid week prior to my family's trip to China, the village where my uncle and cousin live underwent considerable renovation in preparation for their arrival. Electricity was rewired, walls repainted, leaks repaired. Our "coming home" dinner ... was an exceptional feast. Furthermore, a batch of color photos of our family that had been confiscated as "bourgeois" was suddenly returned.... The local authorities ... are eager to make a good impression.... It's possible to arrange for (relatives) to accompany you on your travels through the rest of China. Our sponsorship

THE POLITICS OF TOURISM IN ASIA

provided our relatives with their first opportunity to tour their own homeland. They stayed in hotels for the first time in their lives, visited sites they'd never seen before, and ate food they'd never imagined existed.⁴⁸

The fourth category of tourist is youth groups. Their travel needs are the responsibility of the newest of the PRC's three licensed travel services, the China Youth Travel Service (CYTS), which was founded in 1980. CYTS is the travel department of the All China Youth Federation, which is an organization with 300 million members drawn from Chinese youth clubs. The CYTS is to concentrate on the youth market and to develop hotels and camps targeted toward youth. Currently it has headquarters in Beijing and in 20 branch offices.⁴⁹ Although some see the formation of CYTS as a sign of competition in the Chinese travel industry, it is more likely an effort to reduce the pressure on CITS.⁵⁰

The final tourist category consists of citizens of the PRC. Despite the fact that the Chinese consider their culture without peer, unlike many socialist countries where tourism is encouraged and even subsidized, the PRC has only recently devoted any of its scarce resources to domestic tourism.⁵¹ This may reflect the fact that a country of one billion people has countless other more urgent priorities or that tourism is not seen as a particularly important means of integrating the PRC's minority groups into the dominant Han culture.⁵² Ironically, foreign tourists have the greatest likelihood of visiting minority areas.⁵³

However, as incomes have improved and political tensions relaxed in the mid-1980s domestic tourism has flourished. In 1986 there were some 27 million domestic travelers, and that number is expected to double in the 1990s. Although many are not tourists in the conventional sense, millions are and their numbers have created both opportunities and problems for tourism administration. Chinese forecasts made in the mid-1980s assume a 14 percent per annum increase in domestic tourism for the foreseeable future.⁵⁴ The increase in mass purchasing power has encouraged more discussion of domestic tourism and local governments have begun to organize tours, build facilities, and develop better transport for local use. It is a task well worth the effort, for in 1986 domestic tourism earned China 10 billion yuan (almost U.S. 3 billion dollars).⁵⁵

Chapter 2

Travel, even to see relatives, is still difficult to arrange. Separate hotels and hostels, plainer and more rustic than those for foreigners, are available for PRC citizens. Although such tourism affects only a tiny percentage of the population, with China's gigantic numbers, even a tiny fraction constitutes a great many. One excuse for traveling is to accompany Chinese relatives from overseas. Such travel is often quite in contrast to the official "classless society" rhetoric. "Minor complications may arise at restaurants when your relatives' meals have to be paid for with coupons; on trains, they may have to sit on 'hard seats' while you enjoy 'soft seats' Restaurants or hotel staff sometimes become confused as to whether to accord your relative the same privileges as you receive." ⁵⁶ High party officials and other well-placed bureaucrats have guest houses and sea resorts available to them. They also represent an exception to the otherwise segregated travel. They will often be on planes and in the best railway cars. Despite the relative inattention to domestic tourism, it has at least become an agenda item at the Third National Seminar on Tourism Economics, and an increasingly salient issue to tourism planners. ⁵⁷

CTS, CITS, and CYTS are not the only organizations in the tourism equation. CAAC, the national airways, is also an important element in the current and projected tourism development. Until recently, CAAC had the distinction of having the lowest utilization rate of any national air fleet in the world. The problem was a typical catch-22 for poor nations. Because planes are scarce, overburdened, and expensive, they are grounded in all but ideal weather. They then are even more scarce as a result. There is also little recognition of depreciation and a general feeling that money and gas are being saved when the planes are not flying. Unfortunately, many passengers and travel writers who have flown with CAAC can attest to far less concern for the safety of those within the plane. ⁵⁸

In 1985 the PRC spent over one billion dollars on new aircraft, making it the fastest growing aviation industry in Asia. ⁵⁹ To introduce an element of competition and encourage greater productivity and better service, the CAAC is being divided into six regional carriers and CITS is setting up its own domestic charter. ⁶⁰ The new approach is consistent with the increased attempt to integrate key motivational, administrative, and management styles of the West into the Chinese public sector. The government now argues that such pragmatism is overdue and in no way compromises the central tenets of socialism—public ownership of the means of production for public benefits. ⁶¹

**THE POLITICAL ENVIRONMENT OF CHINESE TOURISM
POLICY**

Discerning the politics of tourism policy-making is an even more subtle undertaking than ferreting out unpublished details of travel and tourism organization. In the absence of hard information two things occur: Western news sources speculate endlessly on each minor modification of structure, probably reading far too much into each change. The Chinese, on the other hand, attempt to depoliticize every discussion. Every action, no matter how different from what preceded it, is made to seem like the logical next step. Both sides are behaving rationally given the political environment in which they must operate. The resultant data, again not necessarily the facts, can be quite confusing.

An important policy decision was made in 1978 to decentralize the cumbersome process of having all tour operators go through central tourist services.⁶² In an effort to promote market growth, provincial administrations were given authority to establish contact directly with tour operators. Branch offices were given control over the distribution of visas. Thus, individual travel agencies have courted branch officials with familiarization trips to the United States and elsewhere as they negotiated not only the scarce visas but also itineraries and costs.⁶³

"We have to carry out the plan of the head office, but if we have done so and still have rooms, we can organize tours and receive tourists directly."⁶⁴ As a consequence, regional industrial towns like Tianjin also became incorporated into the tourist's itinerary, a sure indication that the Tianjin CITS office had been the one to release the visa. Naturally, most provincial administrators liked the new approach. This decentralization of tourism was part of a more general effort to diffuse decision making to provincial and sub-provincial levels to deal with foreign businesses. Foreign exchange allocations to local units were also doubled. The impact on one province is illustrative of the initial reaction.

Intended to strengthen a sense of responsibility among lower level authorities, the de-centralized approach resulted in a perceptible increase in provincial initiative to promote tourism. This was especially true of Kwangtung province officials who took advantage of their geographic proximity to Hong Kong to make overtures to the outside world via the British territory.⁶⁵

Chapter 2

The term "responsibility" comes up again and again and indicates that lower levels are increasingly getting discretion over some management decisions. An example of one initiative introduced in some CITS branches in Gwangzhou, Shanghai, and Wuxi was a bonus system. Guides were evaluated and rewarded according to the amount their tour groups spent on extras such as shopping and special meals and in terms of the number of hours they worked, lack of complaints, and so on. The incentives, however, may have backfired, because by 1986 complaints of corruption led to crackdowns on guides and a subsequent drop in the quality of guide service.⁶⁶

Responsibility is also in terms of allowing more private entrepreneurial activity among the people at large, some of which impacts the tourist sector. In nearly all cities and towns, night bazaars are springing up with vendors permitted to keep their earnings. This is particularly true in cities frequented by tourists, where private souvenir stands abound.⁶⁷

Given the shifts in political fortunes and philosophies in China, there may be a serious question as to how much responsibility anyone wants. Some managers feel that too impressive a performance may only raise expectations that become a higher quota next year. People also remember Mao's Hundred Flowers campaign in the late fifties when he encouraged everyone to express themselves freely and then locked up his critics. Already some imprisoned during the Cultural Revolution have been released and since re-imprisoned. Bureaucrats may be reluctant to take on responsibilities after years of seeing others pay severe penalties "for backing too enthusiastically a line which fell out of favor."⁶⁸ Tourism can be an especially political issue. "Any kind of cooperation between China and a foreign capitalistic country is a particularly sensitive issue, and those Chinese officials designated to administer such programmes are especially vulnerable within the Chinese political system."⁶⁹

Policy-making in the People's Republic of China does not encourage real leadership, nor is this just a product of the insecurity of living in a communist society. As Fox Butterfield so aptly observes, "The Chinese invented bureaucracy over 2,000 years ago and their capacity for it is endless. Avoiding responsibility has been raised to a national art form."⁷⁰ Si-ma Qian, the great historian who lived from 145 to 90 B.C., had warned "Do not take the lead in planning affairs, or you may be held responsible."⁷¹ One gets a feel for the sense of caution that pervades all writing. Today, for example, birth control is policy, but under Mao many respected scientists were banished for questioning

whether sheer numbers in a society like the PRC were the production asset assumed by Marxist theory. The current guidelines of the Twelfth Central Committee, Third Plenum appear to dispel all doubts about the government's intention to encourage initiative and local responsibility, but it may be some time before the average bureaucrat can feel secure enough to implement the new order. China has a long history and the Chinese have long memories that make any government reforms appear ephemeral.⁷²

It is little wonder, then, that Chinese accounts of tourism planning often obfuscate as much as they reveal. Although responsibility is still being urged on lower levels of bureaucracy, since 1981 there has been a reemergence of more central control.⁷³ How much was a response to power plays at the center and how much to specific coordination difficulties is hard to determine. Certainly, the center had an impossible task keeping track of tourists with hotels and even rural communes organizing tours. Delays, changes in itineraries, and overbooking were common complaints. Ostensibly, in an "image before profits" decision, the State Council of the PRC took back some responsibility and provincial and regional departments were no longer allowed to establish direct contacts with foreign tour operators. In the mid-1980s, decentralization partially re-emerged, ostensibly to create some competition for CITS but also because computers had made decentralization somewhat less chaotic than before.⁷⁴

The agenda of contemporary tourism policy is indirectly indicated, however, by the Chinese. Foremost is a legitimate insistence that whatever tourism occurs should reflect China's socialist civilization. Among the criteria the government insists upon is that tourism contribute not only to the funding of the Four Modernizations, but that it contribute to mutual understanding. Apparently the Chinese continue to use tourism as a symbol of change in international relations. In 1983 Soviet and Eastern European tourists visited the PRC after nearly two decades of exclusion.⁷⁵

Chinese style tourism must also include activities conducive to physical and mental health, so initially no casinos or brothels were permitted, although since 1984 a casino and a horse race track were approved. Opportunities for enjoying Chinese culture and obtaining quality information and appropriate hospitality at reasonable expense are also announced goals of the government. Diversification of tourist infrastructure includes the development of campsites. As an effort to integrate the

Chapter 2

tourist infrastructure with the rest of the society, Han Kehua, Director of the State Administration for Travel and Tourism, declared that Chinese regional architecture will be utilized, including structures such as yurts in Mongolia and bamboo structures in the South.⁷⁶

Characteristically, Chinese policy-making on any subject is announced after the fact and very little indication exists of any debate over its features. Tourism policy probably would also be dealt with this way if it were feasible, but since it, by definition, involves outsiders—tour agencies, tourists, airlines, and even other governments—it has had greater publicity than its place in the Four Modernizations would indicate. At several national and international conferences on tourism one finds indications of the policy debate over tourism, though couched in language sufficiently cryptic to make it unclear which policy stand is likely to prevail. But that is, after all, a Western complaint. If one side of an issue was clearly the one to be adopted, Chinese commentators would not be reporting the other side anyway!

The Third National Seminar on Tourism Economics, sponsored by the Institute of Finance and Trade Economics of the Chinese Academy of Social Sciences in late 1983, was unusual in that problems of Chinese tourism not yet resolved were at least noted and reported and defects in earlier sanguine approaches were acknowledged. The seminar noted six areas of particular concern. First, the absence of special organizations charged with domestic tourism was deplored, because domestic tourism could be a way of fostering patriotism. But, later in the article, it reported that it would be unwise to develop domestic tourism at a time when the PRC lacked adequate infrastructure for even international tourists. Moreover, the PRC's enormous population might preclude such an effort.⁷⁷ Second, the seminar concluded that there was a lack of nationwide coordination and conflicting policies among organizations. The GATT, it recommended, needed more authority.

Third, the seminar report argued that the government administration of tourism and tourist business operations needed to become more distinct and separate.⁷⁸ This would be a complaint echoed by the Twelfth Party Congress in October 1984 when it called for the separation of government administration and business throughout the Chinese economy.⁷⁹ Fourth, liaison work with overseas organizations was considered far too centralized.

THE POLITICS OF TOURISM IN ASIA

The local travel services and tourism companies merely undertake the tasks assigned by the head offices, rather than act as tourism operators. Such highly centralized concentration does not fit China's conditions; the land is vast and tourist attractions are scattered, and the initiatives of various local organizations should be encouraged.⁸⁰

Fifth, the PRC needs coordinating organizations among administrative areas so that tourist operation, development, utilization, and protection of tourist resources and construction of infrastructure need not be restricted by administrative area. Finally, "the system of personal responsibility within the tourist industry is not well exercised, and the principle of 'distribution according to work' is not fully carried out, ... so that the enthusiasm of the employees in the enterprises is not fully taken advantage of."⁸¹

The above statement, written for a Western tourism journal, is the classic case of conveying words but no meaning. It is in a deliberately ambiguous bureaucratic code. Ambiguity is a form of freedom, allowing one to change specific meaning as the political tides change. Elsewhere in the paper there are other instances of adjacent paragraphs contradicting each other, as if it is enough to put in all views as long as they are not labeled as different from one another. This is, however, a characteristic Chinese approach. One exposes the contradiction as a way of resolving it.

Both of the authors are with the Institute of Finance and Trade Economics and have written frequently and with comparable opacity in other tourist journals. Only once in the paper did they openly suggest that there were two points of view. That was over the question of evaluating tourism's contribution to development. Some participants had proposed the use of scientific indices. "However, some participants argued that using indexes (sic) of e.g. averaged expenditure per visitor cannot reflect the *cost* of the tourist business." Per visitor expenditure could theoretically drop and yet benefits increase and vice versa. "Economic benefits from tourism must be measured by comparing both the cost and gain of the trade."⁸²

Few nations attempt to measure the entire costs and benefits, preferring to stay with the easily quantifiable and always persuasive statistics the travel industry prefers. If China avoids that trap it will have a more sophisticated approach than most countries.

POLITICAL AND DEVELOPMENTAL PROSPECTS

Having examined the policy evolution and organization of Chinese tourism, it is now appropriate to assess the political and developmental implications of the current structuring of tourism in the PRC. If the effort at developing tourism does garner significant foreign exchange and result in expanded employment opportunities, Deng's reversal of nearly three decades of travel policy may pay off. The evidence so far is inconclusive.

Deng's own retreat from some of the early relaxation on restrictions of speech and press have made it difficult for his other more pragmatic economic reforms to succeed. There remains a basic tension between the need to decentralize and the tendency for both the center and the provinces to see any devolution of power as a sign of weakness at the center to be cautiously exploited by the daring or a source of anxiety to the timid. (If the center is not in control, the fearful do not know what course is safe.)

The struggle over currency is a case in point. In 1980, a decision was made to get control over foreign exchange losses to the black market by issuing foreign exchange certificates to tourists. Such certificates are the only currency accepted by the friendship stores, which are restricted to foreigners.⁸³

The foreign exchange certificates have been used for local purchases by tourists, but their use in conjunction with local currency, the renminbi, is now contributing to the seepage of foreign currency into the local economy. As people seek out long-denied consumer goods and imports, such certificates may be abused. An example on a rather grand scale was cited when Shanghai customs confiscated four mini-buses and four cars that a Chinese construction firm bought from exchange certificates saved on an earlier deal with Japan. A black market is gaining ground between Macao, Hong Kong, and the mainland, as well as within Special Economic Zones like Shenzhen.⁸⁴ In 1985, the PRC declared that Chinese citizens could hold foreign exchange and establish bank accounts in foreign currency. Where they will get such exchange legally and what limitations will be put on its use is not clear.⁸⁵

The pattern of investment is another problem. The Third National Seminar on Tourism Economics made a wise decision in recommending that the government concentrate on site development and the environment, where returns are long in coming, leaving the accommodation sector to collectives, individuals, foreign businesses, and organizations abroad.⁸⁶ The

THE POLITICS OF TOURISM IN ASIA

government has, in fact, embarked on a major restoration of the Ming Tombs near Beijing as a part of a large resort complex being built by the Japanese.⁸⁷

The government's ability to negotiate hotel agreements satisfactory to both the PRC and the industry appears to be improving after a number of hotel deals fell through in the late 1970s. Unfortunately, tourism has proved to be much more capital-intensive than the PRC foresaw. This is a common miscalculation among developing nations that assume a service industry will provide a cheap source of employment.

Although the travel industry would argue that it takes money to make money, the PRC has made some costly import decisions that have reduced foreign exchange holdings. West German railway cars have been imported for foreigners. One entire train of such cars now takes over 16,000 tourists a week to the Great Wall, a trip of less than four hours that could have been made in refurbished Chinese railway cars at a fraction of the cost while employing Chinese in the effort. Tour buses from Japan are exclusively used for "foreign friends."

Cooks are being trained in Hong Kong; travel experts are being groomed abroad. Bringing consultants to the PRC might have been more cost effective, but the government has had difficulty recruiting quality foreign expertise for the U.S. \$100 to \$150 a month they have been offering. More recently the government has accelerated in-country tourism training. The State Council turned over Beijing's Second Foreign Language Institute to the National Tourism Administration (NTA) to become the Beijing Tourism College over the competing bid of the Ministry for Foreign Trade.⁸⁸ The NTA has also been encouraged to develop a massive nation-wide training program designed to train up to 100,000 in tourism careers. The training will be implemented primarily through the colleges, though some in-service training on a rotational basis has started in the major cities.

Major difficulties include the fact that Chinese trained abroad are often pressed into immediate service rather than teaching. Also, there is the sad state of Chinese educational standards following the long years of deterioration during the Cultural Revolution. The Chinese government plans, however, to speed training by relying on a sort of snowball approach, where those trained are immediately expected to run classes for subordinates.⁸⁹

Chapter 2

Though the PRC is valiantly trying to professionalize its tourism sector, there fortunately has not yet been the wholesale kowtowing to Western tastes that has led scores of nations to spend up to 80 percent of their foreign exchange garnered from tourism on catering to the industry.⁹⁰ Cokes and cosmetics are available but they are not cheap. Goods sell at fair but scarcely fire-sale prices. To accommodate Western credit tastes, Visa and Mastercard are both available but the consumer—not the PRC—pays the commission. Until 1984 the rate of exchange was reasonable but no bargain. In 1984, the renminbi was devalued 30 percent against hard currencies, which will delight the international travel industry but is probably unnecessary and unwise in terms of tourism, since the PRC has all the tourists it can easily accommodate right now. It may, however, make sense in terms of other sectors of the economy.⁹¹

Whether the PRC will adhere to these policies and insist upon developing a Chinese-style tourism depends in part on whether advice is garnered from the international travel industry, intent on maximizing tourist and industry convenience and profit, or from the numerous developing nations and international aid organizations like the United Nations Development Project that have already had a decade or two of experience with tourism development.

As a sector providing employment, foreign exchange, and support for the preservation of Chinese culture, tourism is providing a much needed boost to the economy and the arts after years of depredation by the Red Guards. It is one of the genuinely positive side effects of using international tourism for modernization that cultural treasures like the marvelous clay army buried at Xian and the Ming Tombs are restored and other art forms are revived and appreciated once more.⁹²

Although the PRC is doing many things right in its development of tourism, it has missed several opportunities to make the industry more labor-intensive. For example, many of the hotels have automatic doors and elevators. Moving sidewalks at the Beijing Airport eliminate the need for porters, but at a heavy initial cost and continued high energy consumption. If Chicago's O'Hare Airport has done without them, the compact and underutilized Beijing Airport scarcely needs them. The absence of porters or tipping is at least consistent with the country's ideological rhetoric of classlessness and self-reliance. Even these affectations seem misguided, however, when they lead to poor and indifferent service or to tourists curtailing their shopping beyond what they can easily carry.

THE POLITICS OF TOURISM IN ASIA

This is especially so when every facet of the tourist sector, indeed the whole society, is riddled with class (now euphemistically termed “rank”) distinctions. Cruise passengers may marvel at socialist tourism where the crew eats with the passengers, but such incidents are rare on land.⁹³

The fiction that by abolishing first, second, and third class travel and instituting “hard” and “soft” seats one creates proletarian democracy fools no one. The familiar price distinctions and levels of comfort remain. Separate hotels, each complete with guards to make certain that Chinese and various tourist types do not mix, are a constant reminder that, whatever is happening on the economic scene, the political environment is still one of distrust and insecurity. The effect is to make the PRC needlessly more controversial and suspect in the eyes of outsiders and to make the citizens of the PRC increasingly more cynical about the Communist party being anything beyond a new ruling class.⁹⁴ As one critic put it,

Maoist authorities run China like a restricted club. It is a colonial club, where meeting the “natives” is frowned upon. The only Chinese People one can talk to without getting into trouble are servants.... With its nightmarish obsession that foreigners may eventually ... achieve unmonitored contacts with the people, the Maoist government has revived a great many privileges, special status rights, and waivers for foreigners in order to keep them even more isolated. It is a shameful legacy of the old imperialist-colonialist epoch.⁹⁵

As one Chinese man bitterly commented when denied admission to the Peking Hotel, “It used to be ‘No dogs or Chinese admitted,’ now it’s just no Chinese!”⁹⁶ His comments and those of Leys recall the row of enthusiastic spectators at a cultural show who were summarily removed from their seats to make room for our tardy busload of tourists. If the tourist attempts to bridge the chasm by deliberately sitting in a restaurant with Chinese patrons instead of in a curtained-off section or separate room, he quickly discovers that his audacity just means more inconvenience for everyone. All others near him will be moved away. Before long, the tourist grows into the role of privileged person and would not dream of going by public bus when a taxi is waiting.

This colonial mentality is a well-known side effect of tourism in developing countries.⁹⁷ Enclave tourism is also not unique to the PRC, but incongruously enough, a Club Med is being built

there. What is and what is not bourgeois decadence and what is socialist development may not be rigorously definable but it would be interesting to hear it explained how Club Med fits into Chinese-style tourism. In one sense resort development does entail the isolation of the tourist where he can spend money but not impinge on the local culture, so perhaps in this regard such development fits the practice if not the rhetoric of Chinese tourism policy.

The gap between socialist pronouncements and their application is particularly disappointing to many of China's former admirers.⁹⁸ It is especially galling to those orthodox foreigners who decided to tie their fate to the Chinese Revolution and have been living in the PRC ever since. They were insulted and demeaned by zealots of the left during the Cultural Revolution; now they see the current regime kowtowing to the comforts of foreigners while relegating Chinese citizens to inferior conditions.⁹⁹

What one finds in the PRC is a subtle variant of enclave tourism. Since tourists are not lured to the PRC by the promise of bacchanalian delights, they must have the illusion of seeing China without meeting Chinese. Again Leys is instructive: "Passing travelers see a changing landscape, and they are less conscious that they are being carried everywhere in a cage; the (foreign) residents who must stay put in Peking have plenty of time to count all the bars."¹⁰⁰

Though the PRC has put more and more cities on public view, there is little reason to assume that informal contacts and actual mixing with Chinese is much more common than before. In fact, it may have been an effort to diffuse not only the money tourists spend but also the nuisance tourists had become in a few cities. The obvious enthusiasm many tourists have for shopping has meant that the Chinese guides have less obligation to be as didactic as in the early years when sympathizers were coming to appraise the revolution. Still even in Deng's China some factories, schools, and communes are usually included in tour itineraries. These must of course be only the Number One or Number Two quality establishments, so some of the best facilities are suffering from the constant tour groups interrupting their schedules. The more cities tourists can see, the more evenly this heuristic burden can be shared.¹⁰¹

The contradictions in Chinese policy are everywhere: classes in a classless society, responsibility without authority, centralization and decentralization, international understanding and friendship as a goal even as Chinese and tourists

are kept apart under a system of portable apartheid. Even the teaching of English now going on throughout the nation, though designed for commerce not conversation, will undoubtedly facilitate the latter. Nearly every tourist has a story to tell of people who tried to practice English by talking to the visitor. This writer was approached several times by individuals for simple political conversations. Though conversations were brief and fleeting, they revealed that even in places far from Beijing and among people whose occupations were not academic there was an awareness of the reemergence of political controls and the end to the Xidan Democracy Wall, and they were willing to share their concern and critique of the current government with a total stranger.

Such conversations may be what the Chinese government is trying to avoid, but just as likely it wishes to prevent smuggling, black marketeering, and perhaps the awareness among the Chinese that the average tourist spends more in two weeks than 150 Chinese. The problems of relative deprivation have always existed in the south of China where comparisons between Gwangzhou and Hong Kong or Taipei have been generally unfavorable to the PRC. Deng claims that the more the PRC realizes its backwardness, the more likely it will be to accept the new pragmatism. Perhaps that is true. Relative deprivation in many other societies has, however, spawned violence. When that violence has turned on the tourist sector, the industry has proved to be extremely vulnerable, as it is in Lebanon, Jamaica, and the Philippines.¹⁰² Tourists, unlike some entrepreneurs, do not need to go to a particular destination, and when there is a hint of insecurity, they do not.

Political backlash to Deng's policies is controlled as the whole society is controlled by the unhappy fate of dissidents at any point in Chinese history. The likelihood that public irritation with the favored treatment of foreigners or some other aggravation will change public policy is indeed remote. More likely, China's tourism backlash, if it does occur, will be a result of the Western tourist rather than the Chinese host. As mentioned before, the PRC is no longer receiving the uncritical admirers and those who identified with the Chinese Revolution. Such guests in the past generally wrote flattering articles and books even during the Cultural Revolution. "Chinese authorities are especially grateful to the willing visitors for their lack of untimely curiosity about the political somersaults of the regime. Here, since the travelers know nothing, nothing surprises them."¹⁰³

Chapter 2

The current generation of tourists is likely to be even less knowledgeable of China than those whom Leys ridiculed in 1972, but they are politically more inconvenient to the regime. They lack commitment and identification with the Chinese experiment and they are much less docile. Their very numbers mean they cannot be watched and organized as travelers could have been just a few years earlier. As the *Asia Yearbook, 1980* noted, the current foreign friends are curious but more demanding, more accustomed to international standards of travel, and less susceptible to regimentation.¹⁰⁴ Even here variation exists. Guides in all cities agreed that the easiest tourists to have are the Japanese.¹⁰⁵ They are more polite, are accustomed to group travel, and are less likely than Americans to indulge in political dialogues. The Americans are faulted as being noisy, demanding, hard to keep with the group, and somewhat rude and argumentative. A redeeming quality (though not valued very highly in Chinese society) was American frankness and informality. Best on balance are Canadians and Australians, who seem to have good reputations for aid to the PRC both through individuals and their governments, and who do not have a record to live down.

In a very different way, the Chinese have learned in recent years in a most unpleasant fashion that opening the country to visitors could be a less than perfect propaganda experience. The Chinese detained several American students and then expelled them for spying, but Western attention, for the most part, focused not on whether they were spying, but on a system that regards the innocuous kind of data each had as state secrets.

In 1982 another incident, the crash of a Chinese airplane carrying tourists to scenic Guilin, exposed the systemic difference between the PRC and Western news services. It was probably a political revelation to both sides. The Chinese were horrified that Hong Kong reporters would try to cover the story "without proper passes and permissions. Two systems, one boasting a relatively free flow of information, and the other in which information is a state monopoly, met in mutual non-comprehension"¹⁰⁶ The Chinese called a meeting, made a statement, and left to the rage of frantic relatives. "Once again the two systems were face to face. The Chinese mandarins, obviously used to cowed acceptance of their pronouncements were taken aback.... For a couple of days Chinese officialdom had been given a glimpse of what it would be like to govern people who demanded their rights."¹⁰⁷

THE POLITICS OF TOURISM IN ASIA

If and when the Chinese feel that accounts of the PRC are too unflattering or that the economic rewards are insufficient for the efforts expended, the "image before profits" philosophy could as easily spell the end of Chinese tourism as its expansion. This is especially likely if Deng's other economic policies are found wanting. If that happens, much of the stimulus in language instruction, cultural preservation, and the development of the scenic sites would also be probable casualties of any new order.

Opinions differ as to whether the PRC has received very much from its not-quite-open-door policy. The Reagan administration continues to propose arms sales to the Republic of China, which threatens to abort the improved relations between the PRC and ROC. In every country tourism is a part of its diplomatic strategy. The PRC's response to the Reagan initiative was to cancel several exchanges and visits of groups with the United States even as the CITS offered to facilitate travel for Taiwanese wanting to visit relatives.¹⁰⁸ On the other hand, the PRC now has World Bank aid, offers of arms sales from the United States, new export markets, and numerous technical and scholarly exchanges that did not exist before. By quickly linking the country with the international business community in terms of joint ventures, imports, and ties with the international travel industry, tourism has become an increasingly active policy sector allied to Deng's Four Modernizations campaign. Indicative of that is the fact that the central and local governments have budgeted Rmb. 13.2 billion for tourism development during 1986-1990, or over 30 times that provided in the 1978-1983 period.¹⁰⁹

Though this alliance has given added impetus to tourism development, it also accentuates the sector's dependence on the continuity of Deng's approach. Budget deficits, inflation, food shortages, U.S. arms sales to the ROC, and increasing problems with the decentralization of business including tourism suggest that Deng's policies could easily fall into disfavor.

If this happens, the effect it will have on tourism depends on whether that happens sooner or later. If it happens before an elaborate tourist infrastructure is in place and while the problems of digesting tourism are more apparent than its potential, tourism could wither as rapidly as it blossomed. Excessive growth and spiraling costs are a real danger, given the whirlwind development. Tourism does, however, support other policies that enjoy strength less dependent on Deng's economic policies. Tourism is a way of wooing overseas Chinese, and Taiwanese in particular; a diplomatic link in which interest is likely

Chapter 2

to persist. Tourism's stimulus to the arts and cultural preservation may also be seen as subsidizing a source of national pride.

After the Third Plenum of the Twelfth Party Congress, there is no doubt that Deng Xiaoping's pragmatic views have prevailed. How long and in what forms his leadership will continue remain to be seen. His identification with the nation's opening to tourism is clear. As a consequence tourism policy in China may someday face a crisis based less on its own merits than on its identification with the policies of Deng Xiaoping. Its development will then hinge on whether it has demonstrated some intrinsic value to other factions of Chinese leadership. At this juncture decisive evidence is still lacking, but the potential for tourism encouraging constructive development is still great.

From an examination of the evolution of Chinese tourism policy, its political environment, and its organization, it is possible not only to see facets of tourism's developmental prospects that are not obvious in a strict economic analysis, but also to develop a greater appreciation for the culture-specific environment that can so greatly shape the implementation of any policy. Before one can compare the success or failure of any policy compared to its fate in other societies, it is critical to understand not only the design of the policy but the nature of the resources of the society and its administrative milieu.