Abstract: Tourist development can reverse the shrinking of traditional villages in the remote rural areas in China, and can even attract outside entrepreneurs to move in. However, how these outside entrepreneurs interact with the local communities has seldom been explored, and therefore, this study will use Hongcun, a historical village and world heritage site in China, as a case study, and apply observation and interview methods to explore outside entrepreneurs’ integration into the local community in such aspects as spatial integration, business cooperation, social interaction, participation in community affairs, social identity and attitude toward tourism development. This study finds that in Hongcun, outside entrepreneurs have a low degree of integration into the local community, and that this low level of integration is the result of both political marginalization of the outsiders and their comparative advantage in economic and knowledge capital. Suggestions are also provided.

Keywords: Social Integration, small outside enterprises, historical village, Hongcun

Introduction

Chinese villages have experienced tremendous changes since the policies to open the Chinese market. The villages near the cities and towns have gradually turned into urban areas, and villages in the peripheral areas face the problem of shrinkage due to the large-scale of outward migration. However, it has been observed that historical villages which have successfully developed tourism to some extent can avoid this trend and instead attract new migrants (Williams and Hall 2000). Up to now, several studies have pointed out that this process has caused other issues in the local communities, such as the commodification of historical villages and the crowding-out of locals by outsiders (Xu 2005;
Honggang Xu and Haoran Zhou

Xu and Wu 2016). However, very few studies have examined this issue from the outside migrants’ point of view, especially from the perspectives of outside entrepreneurs who play a critical role in community development, and how these outside entrepreneurs interact with the local communities has been seldom explored.

There is no firm agreement among the academic community on the definition of social integration, which is used to describe the process of how migrants interact with local communities when they arrive in their destinations (Liang and Wang 2010). Social integration studies are often carried out for vulnerable or marginal groups or individuals who rely on the local communities for a living, but who are often blocked from doing so, and as a result, they often end up with low-quality, stressful lives (Chen and Sun 2012). Also, few studies have been undertaken on migrants who have professional skills, since they are considered to be independent of local communities and must rely on the social infrastructure.

In the case of Chinese professional migrants from cities to rural areas, such as the tourist entrepreneurs in rural areas who often have more financial and other capital than the locals, they are not in a specifically advantageous position due to the following reasons. Due to the Hukou system, migrants to rural communities have difficulties in being officially considered as residents, and therefore cannot get access to certain critical local resources such as land. There is also a lack of social infrastructure in the local communities to support the mobility of professional individuals.

Social integration is a way to measure how the migrants might be accepted by locals and how much the migrants need to depend on the local society for survival and development. Overall, the social study of migration can examine both the integration of migrants and the social structure of local communities, and thereby help to understand the broader social context in which the mobility takes place. The survival and development of tourism immigrants, as an outside group, is a social integration process. The social integration of tourism immigrants, on the one hand, can promote local economic development and intercultural exchanges (Berry and Sabatier 2010; Li and Su 2012), but on the other hand it is not conducive to the harmonious development of the destination community when facing the competition for social resources and the contrasts in lifestyle behaviours (Sheller 2009; Joppe 2012).
This study attempts to explore this issue by examining the integration of outside entrepreneurs in a historical village, a world heritage village in China, to better understand the dynamics of the village and overall social structure changes in China. Discussions will be provided on the characteristics of the integration of outside entrepreneurs in this situation, under the influence of Chinese contextual factors.

### Small-scale tourism businesses operated by outsiders

A few studies have focused on outside tourism entrepreneurs, and concepts like ‘entrepreneurial tourism migrants’, ‘lifestyle tourism entrepreneurs’, ‘sojourners’, ‘residential guests’, ‘autonomous operators’ and others are used in research on outside tourism entrepreneurs (Li and Xu 2009; Du et al. 2010; Yang et al. 2012; Hallak et al. 2012; Guo et al. 2015; Bredvold and Skålén 2016; Jiang and Li 2016). These concepts are borrowed from sociology or economics, and then adapted for tourism. The following is a summary of the characteristics of outside tourism entrepreneurs.

The living habits of outside entrepreneurs are generally different from those of rural local residents. Many studies on lifestyle tourism entrepreneurs have argued that they strive for a new life by running small businesses, and treat small tourism businesses as a way to support that new life and for a work-life balance (Madden 1999; Stone and Stubbs 2007; Sun 2015; Ma and Xu 2015). Outside entrepreneurs are generally satisfied to maintain a small-scale business and are more concerned about life satisfaction, and do not generally pursue expansion (Henderson 2002). They live a leisurely, slow-paced life at the tourism destination, and their daily activities and social contacts are mainly concentrated in the neighbourhoods of their enterprises. Their main activities are drinking, chatting, dining, gathering, off-season travelling and so on (Ma and Xu 2015). Sun and Zhang (2015) found that in Yangshuo, foreign tourism operators would choose to leave to travel or return to their own countries in the tourism off-season.

The social interaction of outside entrepreneurs tends to distinguish between ‘us’ and ‘them’, and studies have found that outside entrepreneurs tend to spontaneously form a ‘circle’ (Sun and Zhang 2015; Ma and Xu 2015). These ‘circles’ tend to have the characteristics of homogeneity and non-utilitarianism, and members share the same interests, attitudes towards life,
and working ideas. The circles frequently hold organized activities, but these activities do not bring any substantial economic benefit for the members, and instead, common hobbies and values determine the formation of the circle.

Siu (1952) found that ‘sojourners’ were rarely involved in other community activities, and that when they formed a fixed life pattern, they further lost the enthusiasm to participate in their new community, which could be called an ‘internal group tendency’. Relevant studies have showed that outside entrepreneurs have the characteristics of ‘sojourners’, which are determined by their knowledge and capital (Li and Xu 2009; Guo et al. 2015). Outside entrepreneurs generally maintain their original cultural traditions and living habits, and do not have a desire to participate in the local traditional cultural life; their contacts with locals are mostly limited to business-related issues (Guo et al. 2015). Because they are not sure how long they would be in the rural villages, outside entrepreneurs’ have low interest to interact with the local community (Li and Xu 2009).

The psychological state of outside entrepreneurs is complicated. Some scholars have suggested that outside entrepreneurs have a special identity between being an ‘outsider’ and a ‘local’, with the attribute of being ‘intermediate’ (Yang et al. 2012). Du, Du, and Mao (2010) stated that there was a differentiation between the self-identity of outside entrepreneurs and the identity of ‘others’, which resulted in loneliness. These two studies arrived at similar conclusions. As a migrant group, outside entrepreneurs had multiple identities in their destinations, and outside entrepreneurs could not define their self-identity, sometimes they deny themselves because they are isolated geographically from their original home and psychological isolated from the local communities. Jiang and Li (2016) studied tourism migrant workers in Zhouzhuang and found that over time, the workers established new networks with other groups in the destination, formed deeper similar-family-ties, and achieved a strong local identity and sense of belonging. The study suggested that the tourism migrant groups’ new social networks would enable them to construct a unique migrant identity. Establishing a social network also helps outside tourism entrepreneurs to achieve business success (Bosworth and Farrell 2011; Fernandes et al. 2016).
In general, outside entrepreneurs can be attributed with some features. First, outside entrepreneurs’ daily lives are arbitrary, and they pursue a slow-paced life. Their management of small tourism businesses is to maintain a living, and they do not have a desire to expand their enterprises. Second, the social interactions of outside entrepreneurs usually form internal social networks, while keeping a certain distance from the local community. Third, outside entrepreneurs form complex psychological identities, different from the local residents.

**Theoretical background**

In the study of social integration, assimilation theory is the most important theoretical thread. Park (1928) suggested that immigrants’ adaptation to their new environment takes the form of encountering, adaptation, competition, and assimilation, in four progressive and irreversible stages. In the 1950s, Gordon (1964) proposed a significant ‘seven-factor theory’ following the idea of furnace theory. Gordon argued that American immigrant groups’ assimilation process could be divided into seven types: cultural behaviour adaptation, social structure assimilation, intermarriage, identity, attitude acceptance, behavior acceptance, and public life assimilation. The ‘seven factor theory’ provides a measure to research various immigrant groups’ social integration. The idea of assimilation states that all subordinate cultures are eventually assimilated by the mainstream culture and that this is irreversible. However, this view is too idealistic. The research often ignores the racial differences and socio-economic background of immigrant groups, which could lead to a mismatch between theory and practice (Hirschman 1983). Thus, the idea of assimilation gradually fell out of favour (Qiu 1988).

However, the importance of assimilation theory in the social integration theory system cannot be ignored. Many theoretical models of social integration are based on the theory of assimilation, such as ‘space assimilation theory’. At the end of the 20th century, Portes (1993, 1995) proposed ‘Segmented Assimilation’, which suggested that immigrant groups’ social integration was affected by human resources, economic, cultural, and social capital and other factors. The theory identifies three integration models: 1) the first one show that there are only small barriers in the integration into the mainstream culture; 2) the second one empathized the integration into the city poverty culture; and 3) the third is selective integration. Based on the assimilation theory,
segmented assimilation took socio-economic backgrounds and the immigrant
groups themselves into account, which can be regarded as a supplement and
revision to the assimilation theory. Segmented assimilation is more useful in
today’s social situation.

Still, there is also no agreement on how to measure social integrations. Yang
(2010) proposed that the degree of social integration should be measured by
economic integration, behavioural adaption, cultural acceptance and identity,
and that measurements need to be adjusted according to the characteristics of
the migrants; for instance, economic integration is not applicable to retired
migrants. Based on the seven-factor theory, segmented assimilation, and the
characteristics of the outside entrepreneurs, this study measures the social
integration from the following six dimensions: spatial integration, business
cooperation, social interaction, social identity, participation in public affairs,
and attitude toward tourism.

Space is not only a physical concept, but is also considered as a kind of
social relationship in which people can acquire value through the space’s
configuration (Lefebvre 1979). The integration of human activities in space
constitutes a social space system (Wu 2001). There are some relationships
among the space and its users. A change of a living space can impact the social
relationship of its users, and vice versa (Wegner 2002; Wu 2015). Immigrant
groups have certain preferences regarding their location and spatial selection
(Chiang and Hsu 2006). The immigration space of some ethnic groups has
a strict boundary from the mainstream culture’s living space (Bauder and
Sharpe 2002; Walks and Bourne 2006; Li and Xue 2008; Liu et al. 2010;
Xiao et al. 2016). The degree of integration of outside small businesses in
destinations is closely related to spatial distribution. Sun and Zhang (2015),
in their investigation of Yangshuo, found that domestic but non-local Chinese
entrepreneurs had their businesses near the main tourist routes and that they
made friends with Chinese people, while foreign entrepreneurs had their
business as far as possible away from the main tourist routes.

Business cooperation is an important feature of the business activities of
outside business groups. Smart (2003) believed that business cooperation
among immigrant entrepreneurs helped the small enterprises survive in their
new environment and sped up the process of their social integration. Wang
and Xu’s (1999) study on Wenzhou small business owners in Paris recognized
business cooperation as a great help in their social integration.
Social networks can also help immigrant groups quickly adapt to their new social environment (Massey 1986; Massey et al. 2005). Liang and Wang (2010) proposed that social interaction had two components, immigrants and host society, meaning that immigrants’ social integration not only requires the immigrant group itself to adapt to the host society, but also includes a change of attitude of the host society toward the immigrant group. Zhang (2010) described the social integration process of the immigration in China, and stated that if the immigrants can find ‘peers’ and establish a relatively close social relationship network in the host community, their social integration can be easier. In other words, when migrants begin to integrate into a new society, their new lifestyle would motivate them to build a closer social relationship with their new community, but that the acceptance or rejection of local people has a significant influence on the social integration level of floating migrants (Yang 2015). In terms of outside tourist entrepreneurs, it has been found out that they tend to formulate their own social circles instead of interacting with the locals (Sun and Zhang 2015; Ma and Xu 2016).

Research has shown that identity is significantly related to individual self-esteem, and a high-level of identity often helps individuals adapt to a new environment (Chia and Costigan 2006; Costigan et al. 2010). Sojourners, who were considered as temporary immigrants in host societies, usually did not establish a wide range of social networks (Berry et al. 1987). They would stay briefly at the destination, and eventually return to their original community (Berry 1997). If immigrant groups value their new social environment, and generate a sense of security and belonging, that is, an identity in the host community, then social integration can occur (Liu et al. 2014). However, host societies that tend to maintain their uniqueness limit the opportunities for migrants to integrate (Esses et al. 2001).

Political integration is also important (Liang and Wang, 2010). Immigrant groups in the host society should enjoy the same rights as the locals, including social welfare, voting rights, citizenship and so on. Their participation in social and political activities shows whether immigrant groups are integrated into the host society at the political level (Jacobs and Tillie 2004; Penninx 2005). Yang (2015) believed that free training, social activities, and support for participation in community management by government or communities had a significant impact on the level of social integration of migrants.
Tourism attitudes are often used to reflect a group’s perception or impression of tourism development or a destination’s image. In previous studies, residents were participants in tourism development (Du and Su 2011; Cao and Guo 2016), the bearers of tourism impact (Huang 2014; Sun and Su 2014), and the defenders of the tourism environment (Jia and Wang 2015). Residents’ perceptions of tourism would affect their satisfaction and support for tourism development (Cui and Ma 2014), thus affecting the sustainable development of tourism destination as a next step. Small tourism enterprises’ attitudes reflect their perception of the host communities’ tourism development, and affect their behaviors in the destination.

**Research design**

**Case description**

Located in Anhui province, China, Hongcun village covers an area of 4.1 square kilometres, 437 households, and 1368 people. The village has 140 houses which were built during the Ming and Qing Dynasties, and was listed as a World Heritage Site in 2000 for its well-preserved buildings. The village of Hongcun is a graphic illustration of a type of human settlement created during a feudal period and which was based on a prosperous trading economy. The tourist industry in Hongcun developed rapidly after its nomination as a World Heritage Site. In 2015, 1.85 million tourists visited Hongcun scenic area, and Hongcun obtained ticket revenues of 114 million yuan. The community is very much influenced by tourism. The houses are turning into places of business, and more and more outsiders are moving into the village for business purposes. As a result, the historical village is changing rapidly.

Hongcun was developed based on Wang’s clan, and it is a typical Chinese village closely linked through blood relationships. Traditionally, outsiders can be accepted only through marriage. Tourism development has broken the traditional blood-bond social structure in Hongcun community, and outside groups now share living spaces with local community residents. Geographically speaking, the contacts between the outside groups and the local community lack any distance, which may create more frequent opportunities for interaction between the two groups.
Tourism development has sped up Hongcun’s urbanization process, but overall its social structure is still based on the traditional rural social structure where local residents are very closely linked. Hongcun is still considered a rural community in that all the lands are collectively owned and can be only accessed by local residents with Hukou. The only outsiders allowed to be registered in Hongcun are those there through marriage.

Therefore, Hongcun as a case to study outside tourism entrepreneurs’ social integration issues under the background of Chinese rural tourism shows its great significance in studying this phenomenon.

Data collection

The research team to which the authors belong has been carrying out longitudinal monitoring work in the historical village of Hongcun for the past 4 years, and this study was conducted in 2015 and 2016. The first survey was conducted in late July 2015 over nine days, mainly to understand the status of Hongcun tourism development and investigate the situation regarding small outside enterprises, and the second survey was conducted in early July in 2016 over 13 days.

This study mainly uses the interview and observation methods. Twenty-three semi-structured interviews were conducted, and the purpose and snowbird sampling method was used, as the researchers already knew some of the interviewees after the preliminary investigation in 2015. The type of village enterprises can generally be divided into tourism shopping, food and beverage services, and accommodation and recreational facilities (MCSTO 2015 and 2016). This study adopts these categories and adds one more for non-business people who are referred to as ‘others’. Each category of respondent was chosen according to its approximate proportion among these five categories. Among them, there are 9 shopping enterprises, 9 accommodation, 3 catering, 1 recreational, and 1 ‘other’. The interviewees were selected for each category regardless of gender and age. Considering factors such as language, region and self - identity, this paper considers that residents in Yixian County are ‘local people’, and businessmen from outside are ‘outsiders’. This is consistent with the other migration studies done here (Cui and Xu 2012). Altogether, there are 12 outsiders and 12 local business operators.
Table 1. Demographics of the interviewees

<table>
<thead>
<tr>
<th>Code</th>
<th>Operation</th>
<th>Gender</th>
<th>Age</th>
<th>Stay time (about)</th>
<th>Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>souvenir</td>
<td>male</td>
<td>30-35</td>
<td>3 years</td>
<td>other province</td>
</tr>
<tr>
<td>2.</td>
<td>souvenir</td>
<td>male</td>
<td>40-45</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>3.</td>
<td>souvenir</td>
<td>male</td>
<td>25-30</td>
<td>2 years</td>
<td>Huangshan City</td>
</tr>
<tr>
<td>4.</td>
<td>catering</td>
<td>male</td>
<td>30-35</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>5.</td>
<td>catering</td>
<td>male</td>
<td>30-35</td>
<td>2 years</td>
<td>other province</td>
</tr>
<tr>
<td>6.</td>
<td>catering</td>
<td>male</td>
<td>35-40</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>7.</td>
<td>special local product</td>
<td>female</td>
<td>35-40</td>
<td>2 years</td>
<td>Huangshan City</td>
</tr>
<tr>
<td>8.</td>
<td>special local product</td>
<td>male</td>
<td>40-45</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>9.</td>
<td>special local product</td>
<td>female</td>
<td>35-40</td>
<td>1 years</td>
<td>Huangshan City</td>
</tr>
<tr>
<td>10.</td>
<td>special local product</td>
<td>couple</td>
<td>60-65</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>11.</td>
<td>special local product</td>
<td>female</td>
<td>30-35</td>
<td>8 years</td>
<td>Huangshan City</td>
</tr>
<tr>
<td>12.</td>
<td>department store</td>
<td>male</td>
<td>30-35</td>
<td>5 years</td>
<td>Huangshan City</td>
</tr>
<tr>
<td>13.</td>
<td>inn</td>
<td>female</td>
<td>40-45</td>
<td>half years</td>
<td>other province</td>
</tr>
<tr>
<td>14.</td>
<td>inn</td>
<td>female</td>
<td>45-50</td>
<td>1 month</td>
<td>other city</td>
</tr>
<tr>
<td>15.</td>
<td>local people</td>
<td>female</td>
<td>35-40</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>16.</td>
<td>inn</td>
<td>female</td>
<td>50-55</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>17.</td>
<td>inn</td>
<td>male</td>
<td>30-35</td>
<td>2 years</td>
<td>other city</td>
</tr>
<tr>
<td>18.</td>
<td>inn</td>
<td>male</td>
<td>25-30</td>
<td>3 years</td>
<td>other province</td>
</tr>
<tr>
<td>19.</td>
<td>special local product</td>
<td>female</td>
<td>30-35</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>20.</td>
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<td>1 years</td>
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</tr>
<tr>
<td>21.</td>
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<td>18-22</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>22.</td>
<td>inn</td>
<td>male</td>
<td>35-40</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
<tr>
<td>23.</td>
<td>inn</td>
<td>female</td>
<td>35-40</td>
<td>local people</td>
<td>Hongcun</td>
</tr>
</tbody>
</table>
**Data analysis**

The interviews and field observations were first transcribed into text for coding. The first code is divided into five categories according to the type of shop: accommodation (A), catering (B), shopping (C), public service (D) and other (E). The second code is based on ‘host, guest’. Small outside entrepreneurs are coded with W and the locals with B. The second author took the key role in the data analysis. She read and reflected on the observational notes and transcripts of the interview recordings many times, and built a dialogue with tourism theories at the same time. Then, the data were summarized into six dimensions: spatial distribution, business cooperation, social interaction, identity, public affairs participation, and tourism development attitude.

**The Integration of Small Business Owners’ Communities**

**Spatial distribution**

There are some differences in Hongcun in the spatial location of small enterprises between the locals and outsiders. Overall, outside enterprises are concentrated along the main tour route, declining away from the routes. The spaces away from the hot tourist area (such as the eastern side of the village and Leigangshan corner) have only a few small outside businesses. Restaurants and shopping enterprises are all located on the tourist routes. Accommodation enterprises are scattered outside the tourist routes, but are more concentrated in the vicinity of the routes. Recently, more and more houses are being turned into guest housing, and in addition to the tourist routes, the housing properties and other factors also influence the spatial distribution of the businesses. It should be noted, though, that there is an overlap between the outside enterprises and the Hongcun local residents, and that this increases the possibility of social interactions between the two.
Business cooperation

There are two forms of cooperation among the outside enterprises. It is common for two or more people to operate one enterprise together, and it is highly probable for these owners to open another similar business enterprise in the following year. Another type of cooperation occurs between enterprises owned and operated by one outsider, which has been a rising trend among the outsiders. With the popularity of Internet marketing in recent years, outsiders are organizing and setting up guest house associations and making efforts to market themselves over the internet. However, this is still a new phenomenon, and the results have yet to be seen.

Through the interviewees, the research found that there were more business cooperatives among the local small businesses. For instance, during the field work, it was found that the TD Inn and TD dining hall were managed by a big family. The elder sister’s family operated the accommodation part and the little sister’s family operated the catering part, while the father managed the main administrative affairs of the two operations. There were also quite
a few cooperative enterprises among some of the young people from Yi County where Hongcun is located with a high education background. They owned four to five stores, but one person was in charge of each business, such as food, accommodation, souvenirs and so on. The most typical samples are the cooperative ZHXS, LTL, HSJ, QLQL, X inn, T Coffee. As stated by interviewee EB1:

One person is in charge of one kind of business. For example, this person manages accommodation. They do have a coffee shop there, and someone else is in charge. Although I am in charge of this business, I also can setup another small shop. I can sell postcards, chrysanthemum tea and so on. The operator of LTL owns four shops. His mother manages a shop, while his brother manages another one, just in front of there and on that corner, which is also rented from others. He also owns one behind Yuetang (the small lake inside the village, the community activity center). I can’t remember what is called, but it is near a noodle restaurant. That shop is very small, locating on a small triangle area, not bigger than this hall, just a small corner.

Social interaction

Different kinds of small outside entrepreneurs have different behaviours in their social interactions. Most of the small outside enterprises only engage in daily business activities, and their owners live outside the village, and their daily activities are limited to their businesses. These small outside enterprises are located along tourist routes.

The entrepreneurs in accommodation businesses who operate in areas less visited by tourists usually stay in their guest houses, and they often have activities outside the community, but they still tend to engage in activities around their guesthouses. While they may know their nearby neighbors, their interactions are limited to greetings. During the field research, the second author lived in an inn operated by two partners. The owners had a guesthouse and a tea bar with free wi-fi for students and tourists. Every day they cleaned the rooms, received guests, purchased daily supplies and provided refreshments. They mainly chatted with guests in the tea bar or watched videos in their free
time. In the daytime, other migrant guesthouse owners often came to chat, or they went out for drinks in the evening. In the daytime, they only contact each other when they need help in business operations. The entrepreneurs with guesthouses are often lifestyle-oriented, and have very different daily activities and attitudes toward life and business from those of the locals. For instance, one of the owners who owned the inn where the second author lived went to the nearby temple for meditation each month. Another entrepreneur owned a non-profit plant-dyeing workshop, and she often invited guests or friends to participate in the plant-dyeing production.

Interviewee CW2 operated a souvenir shop for cinnabar carving, high-grade hand made wood carving. He thought it was not necessary to interact with the locals or other outsiders, believing that his business was very different from the others and so therefore there was no common topic for them to chat about. In addition, he thought that the job was very demanding, and that there was no time to chat because he needed to take care of the store. When asked about his plans about future business, he thought that because currently business was just so-so, if the tourism market remained in the doldrums, he would be very likely to leave.

Although some local people felt that they were close to the outsiders, their communication was only limited to courtesies, without an in-depth understanding. Interviewee AB1 was the owner of a local inn, and thought that her relationship with the neighboring guesthouse was as the same as with relatives: ‘We are more like relatives ... I also give her a large piece of ground for planting vegetable. I told her that you could grow what you want and take what I had planted home. It is OK’. At the same time, however, AB1 thought that their lifestyles, their inns’ decor, and their conduct in society were very different from those of the locals, so AB1 did not have in-depth interactions with them.

**Public affairs participation**

Living in the village of Hongcun, small entrepreneurs in guesthouses had daily activities similar to their colleagues in Hongcun, yet they were excluded from community affairs. Interviewees AW1, AW2, AW3, and AW5 were owners of inns, and thought that it was inconvenient to engage in business in Hongcun because they were not formally recognized as residents of the village. Many
studies have pointed out the marginalized positions of floating laborers in cities due to the Hukou system, and the same system is applied to urban tourism entrepreneurs in rural communities. Although there are difficulties for farmers in obtaining an urban Hukou, it is almost impossible for urban people to obtain a rural Hukou which would enable them to access community lands. This means that while the tourism entrepreneurs have the financial capacity to run a business in the rural communities, politically and socially they are not acknowledged as locals.

All the links with the village committees have to be built through their house renters. A couple of months before the interviews, the Hongcun village committee organized several lectures for the lodging industry business owners there; however, none of interviewees participated in any of the training. Some did not obtain the information in time, and some of the entrepreneurs thought that the training was specifically for local small enterprises, and that outsiders could not participate. Some other small outside enterprise owners thought that their business skills were good enough, and that did not need input from others.

Small outside entrepreneurs were concerned about Hongcun’s tourism development, but they did not give any proposals for community construction and development. Interviewees CW2, AW1, and AW3 clearly expressed their concern about the state of Hongcun’s tourism problems, and thought that Hongcun’s tourism status and their business activities were closely related. They expressed that if Hongcun’s tourism declined in the future, they would consider leaving, but they did not go to the relevant government agencies or communities to discuss their concerns because they felt that they were not empowered to do so.

Social identity

Hongcun small outside entrepreneurs often consider that they are only sojourners, that they were outsiders and always prepared to leave. There are many reasons for this. For one, their lifestyles differentiate them from the locals. Another reason is that small outside entrepreneurs are generally stronger than the local people in terms of education, knowledge, and business ability, yet politically they are not empowered to participate in local public affairs. In addition, the local residents do not accept them as part of the community. As stated by interviewee BB2:
I do not talk to them, no matter what stores they own. We cannot speak to them, and they do not talk to us. They think they come from outside and situate in a higher class than us. That’s what they think. We live in mountain area and they are outsiders. It comes difference. They have this idea.

From interviewee EB1:

Some people thought she was a strange person, and she could do successfully as an outsider. But who care about you nowadays? I also do not want to spend my time to care about you ... like living in the rented apartment, I am old tenant. You share with me. You should take the initiative, shouldn’t you? It is generally to be seniority. You are a guest, you are always a guest, I am host.

Tourism development attitudes

The locals and small outside entrepreneurs showed different attitudes toward Hongcun’s tourism development. The local people were optimistic about the development of tourism, but in contrast, while the small outside entrepreneurs thought that the tourism market in Hongcun was good, there were some serious problems in the long run. The problems of Hongcun can be attributed to geographical remoteness, poor touristic product development, and low hygienic standards. These issues are considered as the biggest obstacles restricting Hongcun’s tourism development. As stated by interviewee CW2:

In this historical village, nothing can be done to further facilitate tourism development, because it cannot be expanded or changed, and can only be maintained or restored (due to restriction of world heritage site). There is no big planning for its development. Many stories can be used to develop tourism, for example, the myth from many years ago, a well-known person and so on. It is not a simple packaging issue, but an innovation and reproduction. The buildings built originally after the foundation of New China, or those which had been destroyed, should be rebuilt and used. In fact, there are many such places in Hongcun. If Hongcun really is to be create as a tourist city, it needs to be like this.
Interviewee AW3 had a professional tourism background and had his own perspective on Hongcun’s tourism. He believed that the heritage sites were not being protected well and that the tourism products were too homogeneous, with the result being that tourism in Hongcun would decline in the long run. In his view, the current tourism market situation was not bad due to the large number of tourists. Small outside enterprises can be successful in the short term due to the prosperous tourism market, yet in the long run, the competition can be furious, and the failure rate of small businesses is always high.

In contrast, the locals are optimistic about the development of tourism. They believed that although various external factors might lead to a downturn in Hongcun tourism, the overall trend for future development was still on the rise. As stated by interviewee CB6:

We here are in good public safety and everyone is nice, not as chaotic as other places. We maintain good social order here. Nothing bad happened. Very safe. I can’t say there aren’t any bad guys. But it is rare. There are many small attractions. It needs to see how to make it special. There are many small attractions around Hongcun, as Shexian County, memorial archway group.

Similar to the small outside entrepreneurs, the locals also saw the tourism products as too simple and the tourism facilities as insufficient. As the true owners of Hongcun, the majority of the residents began to consciously discuss Hongcun’s tourism environment and to search for solutions for the problems. As stated by interviewee AB1:

There is a problem for the few toilets in Hongcun. So, I have to mention it at our village meeting. When I meet the village head, I have to say: ‘You should pay attention to this problem. The situation must be resolved. You need to reflect it to the higher-level government. Because there is no place to urinate, you cannot blame people pee anywhere; if you put a little more litter bin, people will not throw anywhere. For myself, when I see you throwing things, I pick them up in front of you and say:’ Sorry, you cannot casually throw things’, which make you embarrassed. Will you throw the next time? The environment depends on everyone. Only one person cannot protect it.
Conclusion and discussion

This study investigates the social integration of small outside enterprises in Hongcun historical village from six aspects: spatial distribution, business cooperation, social interaction, social identity, public affairs participation, and destination tourism attitudes. The study has shown that there is no spatial separation between the outside entrepreneurs and the locals, and that the small business owners and the locals are living and working together in the same community. This is largely due to the small scale of the village. Second, while there is some cooperation among the small businesses, this cooperation mainly occurs either between the outsiders or between the locals. No cooperation was found between the locals and the outsiders apart from that the outsiders rent houses from the locals. Third, social interactions between the two groups are mainly limited to greetings and with nearby neighbors, and that small outside enterprises maintained small social groups of their own. This is similar to the findings of other researchers (Berry et al. 1987; Berry 1997; Sun and Zhang 2014; Ma and Xu 2016). Fourth, small outside entrepreneurs are not empowered to participate in community management. Most of them expressed concern over the tourism development situation in Hongcun, but did not think it was their responsibility to solve the problems. Fifth, both the community residents and small outside entrepreneurs believed that outside entrepreneurs were still outsiders. Sixth, the attitudes of small outside entrepreneurs and local residents towards tourism development also showed differences. Overall, the integration into the local communities is very selective.

This research found that Hongcun outside entrepreneurs adapt well to the Hongcun environment. Outside entrepreneurs established their own social networks for exchanging information, emotional support, communicating ideas and so on. While they helped others in their networks, this was not formal business cooperation. New outsiders establishing connections with a network could quickly adapt to the new environment. The networks kept a visible boundary with the local community, but did not actually form independent communities. The networks were fluid, but had relatively shallow interactions. Our study shows that the integration of entrepreneurs into the local communities is very limited. Different with other studies on integration, it is found that in the modern mobile society, these entrepreneurs who move from urban to rural areas depend less on the local communities for survival, and therefore their efforts to integrate with the locals are limited.
Yet, this study also shows that their lack of integration is also due to their marginalized positions in the local institutional structures. Similar to the floating laborer population in cities, they are also not able to register in the local Hukou system. They are always considered to be outsiders, and their contributions to local development are not officially recognized. Therefore, outside entrepreneurs rely very much on their own social networks in the destination community, and adapt to the new environment through these networks.

The study also has its limitations. The interviewees in future studies should cover a wider range of participants: for instance, renters, chain businesses of big companies from other places, and local leaders. Further studies will be carried out to include these stakeholders’ views.

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Notes

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3. The original picture was provided by Hongcun government.
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