

# FROM A FISHING VILLAGE TO TOURIST DESTINATION

Hongjia Village in Northeastern China

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Haoxuan Sa

University of Helsinki, Finland <sahaoxuan@gmail.com>  
Chongqing University of Technology, China

Michael Fabinyi

University of Technology Sydney, Australia  
The Australian National University, Australia <michael.fabinyi@uts.edu.au>

**ABSTRACT:** Economic transitions from fishing into coastal tourism are common in many contemporary coastal communities globally, and particularly in the case of China. Drawing on interviews from a village in Liaoning province in Northeastern China, we use a political economy framework to more systematically understand the drivers and outcomes associated with the transition from fishing to tourism. We find that while state policies and market forces have encouraged shifts away from fishing and into tourism, tourism is currently governed largely by informal institutions informed by social relations and culture. Our findings emphasise how economic transitions from fishing to coastal tourism are mediated by these inter-related and shifting relationships between state, society, and markets.

**KEYWORDS:** coastal livelihoods, China, fishing, tourism, *yujiale*

## Introduction

Studies of agrarian transitions examine the economic shifts from rural agricultural production towards more commercialised, urbanised and industrial production (Akram-Lodhi & Kay, 2010; Kelly, 2011). Particularly since the ‘reform and opening up’ period began in 1978, agrarian change in China has unfolded rapidly, generating new ideas and questions about the changing roles of state, market, and society in this process (Hui, 2005; Nee, 1989; Zheng & Huang, 2018). The process of the transition in China has involved a re-orientation to the market, and at once a telling testament that “in space, what came earlier continues to underpin what follows” (Lefebvre, 1991, p. 229). With no alike antedating ideological regimes in world history, the Chinese state has simultaneously acted like an aggressively entrepreneurial neoliberal state (creating conditions for economic growth, desisting from redistributive politics, and accepting aggravated social inequality as a necessary cost of competitiveness), a developmental state (embracing the modernisation of institutions, infrastructures, and industries), and a one-party socialist state with an ability to intervene in the operation of markets when politically necessary (e.g., Harvey, 2012, pp. 57–65; Wu,

2007, pp. 12–16). All this has come together in China's 'strange combination' of strong state presence and radical market orientation (Zhao, 2017).

While attention in agrarian studies has traditionally focused on terrestrial, farming regions, scholars globally are increasingly turning to examine related processes of change in coastal and maritime zones (Campling et al., 2012). New waves of investment and policy attention have been transforming economic activities along the oceans, leading to changing forms of institutional control and shifts from fishing-based livelihoods into new livelihood activities (Belton & Thilsted, 2014; Bennett et al., 2019; Idrobo & Johnson, 2020). In particular, a key form of livelihood transition widespread along coastal zones is from fishing to tourism (Porter et al., 2015). In China, many industries have been restructured in response to the transformation of markets and state policies. Coastal tourism in China is one of these industries, and has been booming in China since the 2000s (To & Lee, 2018). This paper examines the nature of the transition from fishing to tourism in Hongjia, a village in Northeastern China.

Coastal tourism scholars suggest that as coastal tourism is supported by the increasing number of middle-class tourists, and promoted by local governments, it plays an important role in reducing poverty among fishers. Existing studies of fishing-tourism transitions in China have largely taken applied approaches. For example, policy-oriented perspectives focus on fiscal revenue for local governments (e.g., You et al, 2018); management perspectives analyse the distribution of costs and benefits (e.g., Li et al., 2009); and ecological perspectives regard coastal tourism as an environmentally friendly alternative to fishing, which is viewed as inefficient and ecologically unsustainable (e.g., Wen, 2014). Yet, understandings of transitions from fishing to tourism in coastal China remain largely silent on the relationships to wider processes of political and economic change. In this paper, we draw on He and Lin's (2015) 'state-market-society triad' as a political economy framework to more systematically understand the drivers and outcomes associated with the transition from fishing to tourism in China. Although He and Lin's (2015) framework applies to urban spaces, it is a useful lens to take a holistic and systemic perspective on the processes associated with economic transformation more generally. We show how state, market, and societal forces intertwine to shape processes of change and continuity. We demonstrate that while state policies and market forces have encouraged shifts away from fishing and into tourism, tourism is currently governed largely by informal institutions informed by social relations and culture (Granovetter, 1985; Kipnis, 2012; Polanyi, 1944; Yan, 2017).

We selected Hongjia Village as the case to analyse the transformation of fishing to tourism, because Hongjia Village has experienced significant institutional, economic, and social changes over the past several decades. We do not aim to generalise Hongjia Village as a model for all fishing communities in China, but see it as a way to look at relationships between village level transitions and wider political, economic, and social processes. Hongjia Village is located in Huludao city, Liaoning province, which is close to Beidaihe (see Figure 1), a famous coastal tourism destination that is regularly frequented by Chinese government leaders. Since the 1980s, decollectivisation led to the collapse of collective fishing activities, and started to lead to the development of small-scale household enterprises, mainly fishing. However, since the establishment of Shougang Sanatorium<sup>1</sup> (*Shougang liaoyangyuan*) in 2006, more and more local villagers in Hongjia Village have

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<sup>1</sup> In China, a 'sanatorium' is a kind of holiday resort established by work units. Normally, it is non-profitable and exclusive to the employees of the work unit, and functions as a kind of welfare provided to employees.

given up fishing and joined the tourism industry. At the time of fieldwork in 2019, the majority of the villagers operated *yujiale* (渔家乐, fishing tourism) businesses. This article begins with a discussion of *yujiale* in the Chinese context, followed by an introduction to the theoretical approach. The third section of the article provides details on Hongjia Village and the research methods. The transformation of Hongjia Village, and the analysis of the drivers behind this transformation, are presented in the fourth section.

## Understanding transitions from fishing to tourism in China

Discussion on changing economic relations in China has included important debates about competing sources of state, market, and societal power and legitimacy (Kipnis, 2007; Nee, 1989; Zhao, 2017; Zheng & Huang, 2018). Particular areas of focus in the study of agrarian transformations have been class stratification and differentiation (Bernstein, 2015; Zhang, 2015), the central role of agriculture (Zhang et al., 2015), and, in particular, a debate about the extent of persistence versus proletarianisation of the peasantry (Huang, 2015; Huang et al., 2012; van der Ploeg & Ye, 2010). However, much of the literature on agrarian change in China has focused on terrestrial areas, with limited attention to the ways in which coastal transitions are also unfolding. We do not intend to address the specific extent of proletarianisation in coastal contexts. Instead, we build on He and Lin's (2017) and He et al.'s (2017) conception of the state-market-society triad as a broad framework that can incorporate analysis of multiple perspectives shaping change (see also Leach, 2016). They point out that much literature on urbanism in China concentrates on state (e.g., policies) and/or market dynamics (e.g., capital, labour), to the exclusion of understanding how societal forces co-exist with state and market. Their framework acts as a useful starting point for further analyses on particular dynamics of coastal change in coastal China and elsewhere.

Environmental impacts associated with rapid economic development in coastal China have been widely acknowledged, and policy attention has subsequently focused on how to deal with the problems of pollution, overutilisation of natural resources and the poverty of rural communities. Transforming traditional small-scale agricultural activities to tourism became a popular proposed solution. For instance, in the State Council's (2018) *Strategy for Rural Revitalization (2018-2022)*, it was pointed out that "it is crucial to develop the ecological system, leisure tourism, cultural experiences, and the aged care industry in order to expand the industries in rural areas." In 2018, the amount of operating revenue from tourism in rural areas was 800 billion yuan (Yuan et al., 2019).

The majority of literature on Chinese agro-tourism focuses on so-called *nongjiale* (farm tourism), which is highly promoted in rural areas (Yang et al., 2010). *Nongjiale* aims to attract urban residents to rural settings, stay with local peasants, and take part in farming and enjoy the idyllic rural life. *Yujiale* attracts less attention, even though it is also a crucial form of rural tourism. Similar to *nongjiale*, *yujiale* targets urban residents to:

*Experience, temporarily, the lives of fisher families. Yujiale tourism encourages fisher folk to participate in and benefit from serving or hosting visitors by using their existing fishing equipment, resources and local knowledge.* (Su et al., 2016, p. 21; see also Xia & Dong, 2013)

Normally, *yujiale* is a family-based small enterprise (Xia & Dong, 2013). Yuan and colleagues (2019) distinguished between two models of *yujiale* type tourism, identifying the 'participating model' and the 'resort model'. The main services provided by the 'participating model' *yujiale* are folklore performances of fishing villages, sightseeing by boats, eating local seafood, participating in fishing related activities, and staying with local fisherfolk. 'Resort model' *yujiale*, by contrast, are typically concentrated near well-known tourist destinations. The main function of these types of *yujiale* is providing accommodation for tourists, usually attached to or part of the villagers' own houses in fishing communities.

Previous studies of *yujiale* mainly concentrate on thick descriptions of the transformation of fisher livelihoods, management problems, and the economic contributions of *yujiale* to local fiscal revenue (Zou & Wu, 2015, p. 80). A common point of view among policy-oriented academics is that *yujiale* is an efficient way to reduce the pressure of overfishing and improve the livelihood standards of local people (Dai & Wang, 2015). You and colleagues (2018), for example, claim that tourism in rural areas could become a highly effective tool for poverty reduction. However, scholars also find negative impacts of *yujiale* tourism. For instance, Liu et al. (2017) found that coastal tourism led to negative environmental effects, especially pollution. Li and colleagues (2009) argue that even though incomes have increased by developing tourism, developing tourism in rural areas is not a panacea to solve poverty, and related social impacts cannot be neglected. Similarly, Chen and colleagues (2007) argue that tourism operators coming from out of the village disrupt local social networks. Su et al. (2016) suggest that in order to promote diversification of the income sources of local residents, tourism could be a way to supplement the livelihoods of fisherfolk during the seasonal fishing closures, instead of acting as the main income for households. Additionally, some scholars emphasise the challenges of *yujiale* tourism, including how to develop markets (Wang, 2011), and how to attract investments in fixed facilities (Ma & Qu, 2016; Wen, 2014).

While previous studies of *yujiale* have concentrated on Shandong, the Yangtze River Delta, Fujian, Guangdong, and Guangxi (Yuan et al., 2019), it is rare to see empirical studies based on cases in Northeastern China. Northeastern China (Liaoning, Heilongjiang, and Jilin provinces) has played an important role in the national security of the country due to its proximity to the former Soviet Union (Zhao, 2006). In the first years of communist China (post 1949), many state-owned enterprises (SOE) were located there. The first Five-Year Plan included 156 national key projects, of which 54 were established in Northeast China. More than 80% of urban residents there worked in SOEs before the reforms of state-owned enterprises (Zhao, 2006). In 1998, however, the central government introduced a large-scale layoff program (*xiagang*) in order to reduce surplus labour in SOEs. The closure of SOEs led former employees to begin migrating to southern cities. With limited external investment and a shrinking population compared with Southern China, the speed of economic development in Northeastern China is lower, and presents a contrast to the more well-known dynamics of coastal transformation elsewhere in China.

## Background and methods

Huludao is a coastal city located in western Liaoning province. The total area of Huludao is 10,415km<sup>2</sup> with a population of 2.8 million (Huludao Government, 2019). Hongjia Village is in Dongdaihe, a seaside tourist area in Suizhong county, Huludao city. Dongdaihe is next

to Beidaihe in neighbouring Hebei province (see Figure 1), which is one of the most famous summer resort districts in China. Hongjia Village has around 420 households with a total of 1500 local residents. Prior to the 1980s, Hongjia Village was a typical rural coastal village where most villagers were fishers, but the tourism industry has boomed since 2006 due to the opening of the Shougang Group Sanatorium (*shougang liaoyangyuan*). Now, more than 400 households are running *yujiale* operations. In contrast to normal hotels, *yujiale* in Hongjia Village have a standard price of CNY 160 per person in the off season, and CNY 180 per person in peak season.



Figure 1 – Map indicating location of Hongjia Village, Liaoning, China (Commissioned by Michael Fabinyi; used with permission).

We collected data through multiple sources, including observation, semi-structured and informal interviews, and document analysis. Using multiple sources helped us to triangulate the data. As Yin (2009) points out, triangulation is a way of using different data collection techniques within one study in order to confirm the validity of data. For the specific case of Hongjia Village, we use triangulation as a way to better understand the case and ensure the internal validity of our work. We collected relevant media articles, regulations, laws, policy documents, and demographic information of Hongjia Village. In June 2019, the first author conducted key informant interviews in Hongjia Village. We purposively targeted our interviewees to represent tourists, ordinary fisher folk, board members of Hongjia villagers' Committee, and local authorities. Specifically, we conducted interviews with seven tourists, several local villagers, the head of Hongjia Village, and two local civil servants working in Huludao Port Construction Bureau and Suizhong county Port Construction Bureau. Interviews focused on the historical background of Hongjia Village, why villagers gave up fishing and turned to *yujiale* industry, and how the local collective as well as authorities have managed, regulated, and promoted *yujiale* in Hongjia Village. All interviews with key informants were recorded. Interviews were conducted and transcribed in Chinese, then translated into English. We analysed the interview data qualitatively through categorising the data into emergent themes.

## Results and discussion

### *From collective economy to market economy*

The process of collectivisation began in 1956 with the establishment of the People's Commune system. In 1958, Mao launched the Great Leap Forward, an effort to rapidly increase the pace of China's industrialisation through collectivisation (Dikötter, 2010). All private land was handed to the communes, and the communes were intended to eliminate private ownership by creating a collective consciousness among their members. Following the widespread chaos, famine, and subsequent collapse of the Great Leap Forward by the early 1960s, collective ownership rights were divided among the People's Commune (the 'township' since 1984), the production brigade (the 'village' since 1984), and the production team. From the early 1960s to the early 1980s, the production team was the primary unit of ownership, production, and distribution. The team members worked jointly and their remuneration was based solely on the labour they contributed to team production (Pei, 2002, p. 287).

Prior to the 1980s, the main industry of Hongjia Village was fishing. The Hongjia Village production team organised a group to go fishing and then granted individual villagers work points (*gong fen*) based on individuals' working hours. At that time, all fishing vessels as well as other means of production were owned by the village collective. The main type of fishing vessels were boats using nets powered by paddles, and only a few small boats with engines were owned by Hongjia Village. The total amount of fish catch was planned and controlled by the People's Commune instead of markets. Hongjia Village, similar to other fishing villages in China, had to hand in all their catches to the People's Commune and wait for the commune to redistribute resources to individual households. It was strictly prohibited to sell fish in private markets. All boats belonged to the collective, and no private ownership of any means of production was permitted.

Since de-collectivisation in the early 1980s, the market mechanism replaced the planned economy system. The Hongjia production brigade sold all boats to individual households within Hongjia Village. Though the selling price of these boats were cheaper than the market price, it was still not affordable for individual households. Normally, several households jointly bought one boat (Figure 2). The villagers who had the knowledge and skills to use the diesel boats increased in status when villagers cooperated to buy these boats together. This contrasted with perceptions of status during the period of collective ownership, as one villager noted:

*In the People's Commune time, we did not feel there were any differences between households, and there was no gap between rich and poor. People just followed the rules given by the authorities [gong jia].*

The Chinese Communist Party (CCP) secretary of Hongjia Village commented that the market economy changed the rules of the game when he observed that:

*At that time [People's Commune Period], people just followed the plan and instructions provided by the state. Fishermen used different size of nets in different seasons based on the requirements of the state. No one had any sense of market or getting profits. Nowadays, it is impossible [for everyone to follow the instructions and requirements given by upper-level government].*

An official working in Huludao Port Construction Bureau held similar opinions, commenting:

*Nowadays, the fishing industry is not a sustainable industry anymore. Many fishermen or fishing companies conduct destructive fishing practices [e.g., explosives, electricity] and overfishing. However, governments do not have the capabilities to regulate and control these practices.*

In the minds of both local officials and villagers, the transformation from the collective economy to the market economy was the main reason for overfishing. After de-collectivisation, private property rights emerged, and individuals started to look for profit maximisation without taking sustainability into consideration (e.g., following the regulations on the size of fishing nets), selling whatever they caught.



Figure 2 – Fishing boats in Hongjia Village harbour (Photograph by Haoxuan Sa, 2019).

### External forces: Markets push the transformation of the village

When the state-owned enterprise Shougang Group (Capital Iron and Steel Company) established its sanatorium for its staff in 2006, some Hongjia villagers started to give up fishing and turn to work there as cleaning and hospitality staff. The establishment of Shougang Sanatorium not only brought job opportunities directly in the sanatorium, but also created new jobs based on the needs of the customers of this sanatorium. Normally, the Shougang Group employees would bring their family members to go to Hongjia Village together for holidays. However, the Shougang Sanatorium did not provide services for

these employees' family members. Hongjia villagers recognised that these needs would bring new opportunities. As one villager told us:

*At the beginning, some customers of Shougang Sanatorium asked us [villagers who worked in the sanatorium] whether could we offer accommodations and meals for their families. And then some of us started this business [yujiale].*

At the beginning, there was no charging standard for *yujiale* in Hongjia Village. One villager who has run *yujiale* since 2010 told us:

*At that time, we [villagers] had no idea how much should we charge. We only charged a little, for instance, we asked these tourists [family members of Shougang Group] to stay in our house and have meals with us, and we only asked for a few yuan.*

Hongjia villagers learned the skills to operate *yujiale* from offering services to the family members of the employees of Shougang Group. Over time, because of the fair price, beautiful coastal scenery, and proximity to Beijing and Tianjin, Hongjia Village has attracted a large number of tourists. According to an official working in Suizhong County Port, the estimated number of tourists hosted by Dongdaihe New District is 100,000 per day in the peak season. According to a staff working in Hongjia Villagers' Committee, among these 100,000 tourists, more than 30,000 would stay in Hongjia Village. Many of the *yujiale* now operate across multi-storey buildings (Figure 3) with different types of rooms, and some have a guest capacity similar to hotels.

As a result of this dramatic increase in tourism, more and more villagers gave up fishing and joined in operating *yujiale*. Compared with depending on fishing to make a living, operating *yujiale* is more profitable to the majority of the individual households who used to be small fishing operators. And the working conditions are much better than fishing, which was considered extremely hard work. As the Chinese Communist Party (CCP) secretary of Hongjia Village said:

*At that time [collective economy period], our boats could not reach the harbour. Fishermen had to walk dozens of meters and pull the boats to the harbour ... Though the working conditions are now better ... fishing is still hard work. And the outcomes of fishing depend on luck.*

Similarly, one fisherwoman told us:

*In the past, if there was no strong wind, I had to go fishing. If I did not go fishing, our family would have no rice for cooking at all. It was super tough for females to go fishing, because the sea water is so cold and it is harmful for females' health ... Now [running yujiale], at least, there is a roof to protect us, we do not need to tolerate the bad weather.*





Figure 3 – Yujiale in Hongjia Village (Photograph by Haoxuan Sa, 2019).

Tourists undertake a range of activities, including spending time at the beach, eating seafood and, sometimes, recreational fishing (Figure 4). As one yujiale operator described:

*We regard tourism as the main industry now. We are not doing a one-time deal. We expect to be a brand for leisure tourism in this region. Thus, tourists are our god! We try our best to fulfil their wishes.*



Figure 4 – Left: beach in Hongjia Village; right: boat for tourists (Photographs by Haoxuan Sa), 2019.

In addition to the opportunities generated by *yujiale*, the emergence – and subsequent economic and environmental impacts – of large-scale fishing operations also induced villagers to give up fishing. Many villagers mentioned that because of their larger size and better technology, larger operators could catch more fish more efficiently, and offer lower prices than their smaller competitors. Furthermore, small-scale fishing was not competitive compared with the larger-scale operations that were funded by external sources. Additionally, overfishing and pollution meant offshore catches by smaller operators were impacted. Pollution levels of Liaodong Bay have been well documented, with moderate or strong levels of arsenic, cadmium, and mercury (among others) in some sites (Wang et al., 2017), some of which is bioaccumulated in seafood, particularly in invertebrates (Radomyski et al., 2018).

#### Authorities: Regulating fishing and promoting *yujiale*

In 2011, the National Development and Reform Commission (NDRC) published the *Catalogue for Guiding Industry Restructuring*. In this document, the state indicated the need to promote the “distant water fishery and projects of fishery administration and fishing ports” (Article 15, I. Agriculture and Forestry, Category I Encouragement) and “protection of marine fishery resources” (Article 58, I. Agriculture and Forestry, Category I Encouragement). Based on this catalogue, at the provincial level, Liaoning Province published *The Thirteenth Five Year Plan for Developing Marine and Fishery Industry in Liaoning* (2016a) and *The Guidance for Developing Fishing Industry in Liaoning* (2016b) to promote the transformation of the fishing industry. In the Guidance (2016b), the Provincial government aimed to regulate inshore fishing (Article 2, Section 2) and promote leisure fishery tourism (Article 5, Section 2).

In practice, both the local government and the central government have promulgated regulations on inshore or short distance fishing (*jinhai bulao*). The central government rescheduled the fishing closed season (*jinyuqi*). In the past, the fishing closed season started from 15 June, however in more recent years, it commenced earlier in May, because of concerns over fish stock sustainability. For small fishing operators, the lengthening of the closed season increased their daily struggles. As one villager commented, in the days they relied on fishing, “if my hands stop, my mouth has to stop too.” Additionally, the Liaoning provincial government provided many preferential policies to encourage small fishing operators to sell or ‘end the life of’ their boats by offering compensation. In Hongjia Village, our informants also mentioned that these policies were a driver behind their decision to sell their boats.

However, while the provincial government published documents to promote *yujiale*, local governments – both at city and county level – did not take many actions. A government official from the Huludao Port Construction Bureau stated that this is because municipal level and county level governments do not have legal rights to publish laws or regulations for an industry. Yet, the guidance from provincial government is not detailed or practical. For instance, there were no laws or regulations regarding fire, or price control, for *yujiale*. The official believed that compared with the gains, the potential threats are more significant. He regarded *yujiale* as an industry in a gray area. On the one hand, it is promoted by the authorities to contribute to the transformation of the fishery. On the other hand, the majority of *yujiale* are informal, either having problems in obtaining certifications to operate tourism services, or located in an illegal/informal building. But the local government also does not take actions to demolish *yujiale*. Our informant told us,

“this is because the local government wants to maintain social stability” (see Feng, 2013). Local governments have to find a solution to resolve the economic needs of fishers who lost their boats because of the industry restructuring, and also have to find a way to accommodate large number tourists during peak seasons.

### Bottom-up institutional experiments – The role of social relations and culture

Because of the external forces from markets and from institutional changes by the state, *yujiale* has become the main alternative means of living for Hongjia villagers. Yet, social relations and culture continue to influence the way this market is practiced in Hongjia, through price regulation and overall management.

In contrast to standard economic assumptions that competition naturally forms within a market, even though *yujiale* is a commercial activity, there is no heavy market competition in Hongjia Village, and there is an awareness of the goal of collective prosperity. As the head of Hongjia Village said:

*We are not the first generation of this village, and of course, we are not the last generation. We have to think about the future for our offspring [zi sun hou dai] and avoid internal conflicts [nei bu xiao hao].*

Instead, villagers in Hongjia have actively tried to avoid internal competition by unifying the standard price. Except for one 4-star hotel that targets travelers who are paid by their employers, all of the other *yujiale* follow the same price – and the price is set per person, unlike a traditional hotel that is set per room. All the basic public facilities were built by the Hongjia Village collective, and the costs are paid by the collective as well. Additionally, the cleaning and public security fees are also paid by the collective. The collective gets its funds from *yujiale* operators, through fees which are distributed based on the number of rooms in each *yujiale*. According to one local villager, the *yujiale* operators pay CNY 19 (USD 2.75) per month to the villagers’ committee as management fees. Notably, although some villagers are not *yujiale* operators and, as such, did not pay any costs for public facilities (e.g., streetlamps and blow-off lines), they still use these facilities. While orthodox economics may label these villagers as ‘free-riders’, this has not led to the tragedy of commons or social conflicts in Hongjia Village. As a closed community where everyone knows everyone, Hongjia villagers have developed some (non-literary) mechanisms for dealing with the challenges of political, economic, and social problems. Sharing the facilities without conflicts is just one of them. This finding recalls Polanyi’s (1944/2001) argument that economic activities are embedded in social structures and cultural norms in forms of reciprocal and redistributive exchange in intimate communities. Social networking does matter in dealing with economic behaviours.

According to a local civil servant, the tasks for managing *yujiale* are overlapping among different governmental sectors rather than a principal agency. Accordingly, in the eyes of local village cadres, because of the overlapping responsibilities, the regulation of *yujiale* is in a vacuum. The head of the village made several examples to support his view. For instance, he tried to apply for support from governmental sectors for fixing the roads within Hongjia Village, and he found no matched sectors for him to ask for support. He said he found most of the *yujiale* in Hongjia Village did not meet the fire prevention requirements. He was concerned that if one of the *yujiale* had a fire, there would be a big loss. He would like to do something to prevent the potential threats, but he did not know

which governmental sector could help to solve the problems. In order to fill in the management vacuum, Hongjia Villagers' committee cooperated with other villagers' committees, which were nearby and also included many *yujiale*, establishing the Dongdaihe Yujiale Association (DYA). DYA is a bottom-up organisation without legal authority, instead, DYA is based on moral authority. DYA helped to unify the standard price of *yujiale*, organises workshops to teach villagers how to do digital marketing for their *yujiale*, and also provides plenty of training programs to *yujiale* operators (e.g., how to use fire extinguishers, etc.).

We asked *yujiale* operators in Hongjia Village why they decided to join in the DYA, and why they have followed the guidelines set out by DYA. In contrast to the assumption in orthodox economists that focuses on the goals and rational profit-seeking behaviours of the individual, Hongjia villagers kept using several phrases to explain their wish for collective prosperity, such as, "we, as a collective," "for our collective future," "for the whole prosperity of Hongjia Village," and so on. Influential villagers also played important roles in the negotiations of avoiding internal conflicts within Hongjia Village. At the beginning, some villagers felt the mechanism of unifying the standard price was not a wise choice. For instance, one Hongjia villager told us,

*I did not plan to vote for passing the decision of unifying the price. But one of our village cadres persuaded me, he told me that most of the influential persons in our village had voted for passing. Then I changed my mind.*

This quote is similar to Li's (2004) finding that influential persons from important surname groups within the village have legitimate powers and capabilities to balance competing interests and manage conflicts for collective decision-making. The traditional village-based informal mechanism for dealing with collective issues is still functional in Hongjia Village.

Additionally, interpersonal relations in Hongjia Village are still framed by cultural traditions of familial and kin relations, reciprocity and obligations, and insiders and outsiders (Fei, 1992). Much anthropological and broader social science literature in China stresses the ongoing significance of these relationships in spite of the waves of economic transformation sweeping the country (e.g., Kipnis, 2007, 2012; Si et al., 2019; Yan, 2017). In Hongjia Village, villagers mentioned that they did not want to take actions that might harm the intimacy of the village. For instance, one villager told us that he accepted the unified price of *yujiale* because:

*Hongjia Village is an intimate community. We helped each other a lot. For instance, if one household holds a wedding or a funeral, all others would go there for help. We would not do anything to break the harmony.*

Another villager noted that he joined the DYA because "I do not want to show I am different with the others and harm the intimacy of our village. The big surname families and the respectful elders had decided to lead their households to join in, so I joined."

More generally, the use of fictive kinship is common in Hongjia Village, as explained by one villager: "Only some of them are my relatives. But I have an intimate feeling with everyone in this village. I feel we are relatives without blood ties." In contrast, vendors who are not original villagers are referred to by different sets of pronouns than vendors who are original villagers. In this way, the operation of *yujiale* is governed in practice by these underlying social relationships and informal cultural norms.

## Conclusion

Since the market and de-collectivisation reforms in China, coastal villages have experienced significant livelihood transformations. In Hongjia Village, villagers' primary livelihood activity has changed from fishing to a particular form of coastal tourism, *yujiale*, mirroring a broader transition from fishing to tourism found in many parts of the world. This paper has used the state–market–society framework (He & Lin, 2015; He et al., 2017) to assess the drivers and outcomes associated with this transition.

The market and the state institutional context were both found to be crucial in driving more and more villagers in Hongjia to become *yujiale* operators. The market demands from the customers of Shougang Steel Sanatorium, combined with the competitive disadvantages of small-scale fishing compared with the operation of new large-scale fishing vessels, served as powerful economic incentives to leave fishing and transition into *yujiale*. At the same time, government policies explicitly supported the transition away from agriculture and fisheries through stricter regulation on fisheries and a broader emphasis on coastal tourism as a source of economic growth.

While market and institutional factors drove this transition, established patterns of social relations and culture mediated how this transition unfolded at the local level. Bottom-up institutional innovations, such as the self-organised *yujiale* association in Hongjia Village, served to regulate prices and competition, while high-status families worked to manage internal conflicts. Cultural traditions of familial and kin relations, and of reciprocity and obligations, underlay these mechanisms. In this way, the case study highlights how both markets and institutions are embedded within social relations and culture – a point that is less well acknowledged in the agrarian studies literature. While these cultural norms in China are far from static or unchanging (Kipnis, 2007; Yang, 2002;), they remain important institutions that mediate between wider sets of political and economic changes and how they unfold at the local level.

The aim of this paper has not been to generalise the Hongjia Village case as a model for all coastal villages in China – or elsewhere – that face the transformation from fishing to tourism. Instead, our findings have two main implications. First, we have shown how, beyond the policy-oriented questions of the specifics of how to best manage *yujiale* at the local level, the transitions from fishing to tourism along Chinese coastlines are driven and influenced by much wider processes of political and economic change taking place in China. Second, we have emphasised that, beyond the idea of one-way transitions from state-dominated to market-dominated economies, it is more useful to conceptualise these processes as a set of shifting relationships between state, society (including culture), and the market. In this way, the story of the transformation of Hongjia Village opens a door for future research on transformations of rural society in coastal China and elsewhere.

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