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*Abstract:* National park franchising is one of the main means of market-oriented financing for ecological protection and an important channel for the public to enjoy national parks. By combing the franchise policies and practices of Three-river-source, Wuyishan, Giant Panda and Hainan Tropical Rainforest National Park in China, this paper summarizes the design and implementation experience of the franchise system of national parks at home and abroad from the perspective of the purpose and legal basis of franchise, operation and management; Take Patatson National Park as a case to analyze the current situation and existing problems of its franchise.It is suggested to further improve the franchising system of Patatson National Park through strict franchising management system, formulating a list of franchising projects in line with its own reality and optimizing the park franchising feedback mechanism. *Keywords:* National Parks; Franchise; Patatson National Park; System Design; Practical Experience

# Introduction

In 2017, the General Office of the CPC Central Committee and the General Office of the State Council issued the Overall Plan for Establishing a National Park System, which emphasized that the operation and management of national parks should implement "franchise management" and "explore multi-channel and diversified investment and financing models under the premise of ensuring the ecological protection and public welfare attributes of national parks"; The Guiding Opinions on the Establishment of a Nature Reserve System with National Parks as the Main Body issued in 2019 once again emphasized the importance of franchising for operational projects; National park franchising has gradually become the focus of attention from all walks of life. In 2021, the five national parks of Three-river-source, Giant Panda, Amur Tiger and Amur Leopard, Hainan Tropical Rainforest, and Wuyishan will become the first batch of officially established national parks. In the future, more national parks will be established in accordance with the principle of establishing one by one. National parks are new things in China, and the franchising of national parks in succession has also quickly exposed many problems.

Patatson National Park is a pioneer in the exploration of national park system and franchising practice in China (Tian Shizheng et al., 2009; Yuan Hua, 2012; Wang Baoxuan et al., 2021), but it failed to become the first batch of national parks to pass the pilot project. At the same time, the diversified income livelihood model of community residents in the park is facing severe challenges (Luo Yiling, 2021). Therefore, Patatson National Park must optimize the franchising development model. This paper will analyze the existing problems in the current franchise of Patatson National Park by combing the legal basis, business purpose, management structure, authorized subject, franchise scope and content, project operation period, operation fee management, etc. of the franchise of typical national parks in China, and drawing on the practical experience of the franchise of typical national parks abroad, It provides inspiration and ideas for the park to effectively solve the practical challenges between residents' development and resource protection.

# 1. National Park franchise policy and practical experience in China

Since the establishment of the national park system in China, many national park system pilots have successively formulated

system specifications related to franchising and relatively clear policy design, laying an important foundation for the subsequent establishment and improvement of the national park management system and exploration of a more mature franchising mechanism.

### 1.1 Purpose and legal basis of franchise

National park communities in China have the common characteristics of "large dispersion, small concentration" of residents, complex land ownership, and high dependence on natural resources (Hou Yi et al., 2021). Therefore, in addition to providing services and increasing income, the purpose of national park franchising also takes into account the development of local communities. In the context of the lack of top-level design and national level laws and regulations support for national park franchising in China, the introduction of franchising management measures for national parks was slightly hasty. The Regulations on Three-river-source National Park (Trial), the Industrial Development and Franchising Plan for Three-river-source National Park (2020), the Regulations on Wuyishan National Park (Trial) The Interim Measures for the Franchise Management of Wuyishan National Park (2020), the Regulations on Wuyishan National Park (Trial) The Interim Measures for the Franchise Management of Hainan Tropical Rainforest National Park (2020), the Catalog for the Franchise Management of Hainan Tropical Rainforest National Park, The Regulations on the Protection and Management of Patatson National Park and the Measures for the Management of Franchise Projects in Patatson National Park in Shangri La (for Trial Implementation) of Patatson National Park failed to break through the original system and mechanism, and could not be implemented. The subject, sope and method of franchise were not unified and standardized enough.

# 1.2 Operation and management of franchise

### **1.2.1 Authorized subject**

Countries and regions with early establishment of national parks have relatively perfect franchise system. The main management modes include centralized central government, local autonomous management and comprehensive management (Deng Yi et al., 2019; Fan Yixia et al., 2021; Lu Jiancheng et al., 2019); The project operation fund is mainly funded by the government, supplemented by tickets and project revenue (Fan Yixia et al., 2021); The authorized subject of the franchise right is generally the national park management organization under the central government. China has not officially promulgated the national level franchising plan, and various pilot areas have formulated different norms and standards when exploring franchising, which has led to improper rights and responsibilities of franchise management, poor operation process, and non-standard management. For example, the Giant Panda National Park Administration is the authorized subject of franchising; The provincial administration of giant panda national parks, the sub administration and other park management agencies are the implementation subjects, and there is a problem of self authorization.

### **1.2.2 Business scope and content**

Franchise mode mainly includes lease, authorization and activity license; Franchise projects involve five areas: accommodation, catering, ecological experience, tourism projects and national park brands. Among them, different from other national parks, Three-river-source National Park includes non-profit social undertakings in the scope of franchise, including ecological protection and governance, environmental health improvement, training and education for herdsmen and enterprises, construction and operation of smart national parks, etc. (Zhu Hongge et al., 2022). In addition, Wuyishan Park promotes the combination of tea industry and tourism, and all kinds of business projects are included in the scope of franchise. The tea industry implements the "company+enterprise+farmer" operation mode, and the potential economic value of the park's core resources under the traditional livelihood system is fully realized through franchise (Chen Yaru et al., 2019). The Franchise Catalogue of Hainan Tropical Rainforest National Park (the first batch) specifies that a total of 47 business service activities of 9 categories can apply for franchising. The Giant Panda National Park has defined the scope and content of five types of franchising, and corresponding supporting business projects and periods, as well as fee management standards. In addition, enterprises authorized to franchise original ecological products of the Giant Panda National Park can use the "Giant Panda National Park" logo and the logo with anti-counterfeiting function and digital code.

# 1.2.3 Relevant rights and interests enjoyed by original residents/community residents

Except for Wuyishan National Park, each national park has a clear statement that the franchise policy is inclined to the original residents/community residents. Hainan Tropical Rainforest National Park has the highest degree of inclination, and Wuyishan National Park is inclined to encourage and guide.

### **1.2.4 Project operation period**

For operating service facilities involving fixed asset investment, the franchise period is generally 10 years, and in principle, it shall not exceed 20 years; The longest operating period of franchise projects shall not exceed 10 years, and the longest operating period of service projects shall not exceed 5 years.

### 1.2.5 Charge management

The management of franchise fees in each national park is relatively broad. There are problems such as unclear fund income and expenditure, lack of regulatory mechanism, and lack of policy basis, so it is difficult to collect franchise fees on a trial basis.

# 2. Pilot of franchise system in Patatson National Park

# 2.1 Overview of franchise practice of Patatson National Park

Patatson National Park is the first National Park in Chinese Mainland to explore the national park system pilot and National Park community franchise. It began the practice of National Park franchise in 2005, and began the practice of franchise based on the "separation of management and economy" in 2006 (Tian Shizheng et al., 2009). In 2010, it launched the research on National Park franchise, In 2015, the franchising system of national parks was established in the form of legislation (Xu Ningwei et al., 2017; Luo Yiling, 2021). In 2020, the Administrative Measures for Franchising Projects of Yunnan Patatson National Park (for Trial Implementation) (hereinafter referred to as the Measures) was officially issued.

The franchising organization model of Patatson National Park has undergone changes, and the resource protection, utilization and operation methods at different stages are different (Tian Shizheng et al., 2009). Now Patatson National Park Management Bureau exercises the management right, and Pudacuo Tourism Branch of Diqing Prefecture Tourism Group Co., Ltd. has the management right (Deng Yi et al., 2019; Luo Yiling, 2021). The franchising policy concept of the national park is to maximize the return of ecological resources to the community, and to share the ecological well-being of the government, enterprises and residents (Luo Yiling, 2021; Zhu Hongge, 2022, etc.). To this end, the Park actively encourages aborigines to participate in franchising, and gives preferential policies such as taxation to aborigines who sell ecological products, provide natural sightseeing services and other business services using national park resources. In addition to the Measures, the Measures for the Implementation of Patatson National Park's Feedback to Communities has also been specially formulated, and the Agreement on Tourism Feedback to Communities in Patatson National Park to feed the community (Zhang Qun et al., 2012; Xu Ningwei et al., 2017; Luo Yiling, 2021). Its franchise scope includes operation and maintenance of service facilities, provision of transportation/medical services, sales of national park brand goods and ecological products, and other business activities in the national park.

### 2.2 Problems in franchise of Patatson National Park

In addition to the common problems of other national parks in China, Patatson National Park also has the following personality problems.

# 2.2.1 Deviating from the purpose of franchising for win-win protection and tourism

The original intention of the establishment of Patatson National Park is to shape the tourism brand through institutional

innovation, so as to drive the economic development of the northwest Yunnan ethnic autonomous region (Tian Shizheng et al., 2009). The main purpose of introducing the franchising system into the park is to solve the shortage of funds. Therefore, it inevitably changes the public welfare and non-profit nature of the park, and makes the park resources change from typical public products and public resources to general general commodities. Diqing Prefecture Tourism Development and Investment Co., Ltd., established within the scope of Patatson National Park, is a solely state-owned enterprise, and its investor is the People's Government of Diqing Prefecture. Local state-owned tourism development companies in a multi stakeholder pattern are responsible for tourism development, which will lead to monopoly of scenic spot tickets and franchise income, becoming the "purse" of local governments (Deng Yi et al., 2019), It not only goes against the goal of natural ecological protection and the public welfare requirements of limited protection, but also goes against the improvement of tourism quality, and will also bring community conflicts (Xu Ningwei et al., 2017).

# 2.2.2 Overall park concession

More mature national parks in foreign countries adopt decentralized franchise (Chen Peng et al., 2019; Chen Yaru et al., 2019; Lu Jiancheng et al., 2019; Zhu Hongge et al., 2022). The authorized subjects and licensees of the franchise complete their own protection tasks and provide tourism services under the premise of protection to ensure that the protection of national parks can be implemented. The overall park franchise set up in Patatson National Park is licensed to Pudacuo Tourism Branch, and the company undertakes all community compensation funds. This monopolistic and overall contracting method creates the largest profit space for the licensee, while ignoring the main objectives of franchising such as protecting the ecological resources of the park and benefiting tourists.

# 2.2.3 Ecotourism compensation policy will weaken the subjectivity of original residents

Since 2006, two stages of ecotourism compensation policies have been implemented, with a total compensation amount of 150 million yuan (Liu et al., 2019). At present, community residents are relatively satisfied with the tourism poverty alleviation policy labeled with large amount of compensation (Luo Yiling, 2021; Liu Moucheng et al., 2019), but this also increases the burden on enterprises and the government. Pudacuo Tourism Company can only grant compensation through loans (Zhang Qunzhong et al., 2012; Luo Yiling, 2021). At the same time, residents' participation in tourism operation is limited, which needs to be considered in future policy formulation. Simply relying on the eco-tourism compensation policy will weaken the subjectivity of the original residents, form path dependence, and lead to the vicious game among communities, governments and enterprises.

# **3. Enlightenment of domestic and foreign practices on the franchise of Patatson** National Park

#### **3.1 Strict franchise management system**

Based on the purpose of win-win franchise for protection and tourism, the national park needs to establish a special community franchise management organization, follow the principle of "government authorization, separation of management and operation", formulate the policy of community franchise and prepare the community franchise transfer plan through the decisions made by the national park community development organization (Luo Yiling, 2021). Through the decentralized franchise mode of projects (Yang Guihua et al., 2007; Zhao Zhicong et al., 2020), the business projects are reasonably classified, and the corresponding business term, charging system and management process are matched. The whole process of franchise is open and transparent, including bidding announcement, bid organization, comprehensive evaluation, bid winning publicity, contract signing, operation supervision, annual assessment, and contract renewal (An Chao, 2015; Zhao Zhicong et al., 2020), Accept extensive social supervision, and publicize some major projects involving local community residents.

# 3.2 Develop a list of franchising projects in line with their own reality

The types of national park franchising projects at home and abroad and the specific list contents can be developed around the following three areas.

### 3.2.1 Operating items

In order to avoid conflicts with the Regulations on the Protection and Administration of Patatson National Park, the business projects within the recreational exhibition area and traditional utilization area, such as ecological experience, transportation, accommodation, catering, stores and cultural industries, can be included in the list of business concession projects. We can learn from the successful experience of Wuyishan National Park tea industry and Three-river-source National Park Chinese and Tibetan medicine planting industry, give full play to the natural landscape advantages of Patatson National Park, such as subalpine forest meadow, alpine lake, pasture, etc., and accelerate the development of plateau featured ecological products, such as crisp tea, quinoa, gastrodia elata, etc. in the town security guarantee area; To improve the production capacity and income of green industry (especially grape and traditional Chinese medicine industry), we can use the Giant Panda National Park for reference to classify and manage franchise projects.

### **3.2.2 National Park brand**

Take the brand as the carrier, deeply tap the potential market value of Patatson National Park, and use the intangible resource of the brand effect of the national park to improve the added value of the park's franchise industry. Formulate the Measures for the Brand Management of Patatson National Park to operate the national park brand project and other business projects on both lines, while maintaining the unique business of the national park brand. Learn from the successful experience of the Giant Panda National Park, formulate the brand logo of Patatson National Park and systematically develop brand derivatives. At the same time, strengthen brand publicity and gradually expand and strengthen the brand of Patatson National Park.

#### **3.2.3** Non profit social activities

Countries and regions have not established uniform standards on whether non-profit social activities are included in the franchise scope. In view of the non-profit, public welfare, social participation and other characteristics, and taking into account the essential connotation of franchise "operation", we can refer to the model of Three-river-source National Park. Various government funded science popularization training and education activities in Patatson National Park are prohibited from being included in the franchise scope, while natural education and other services involving social capital are allowed to be included, and such social capital should not take profit as the primary goal, emphasizing natural experience, And realize the promotion and publicity of the awareness of natural resources and ecosystem protection.

### 3.3 Optimizing the park franchise feedback mechanism

Develop a franchising mode that takes into account the hematopoietic function of ecological compensation to promote community development and the self-supporting ability of community residents, encourage indigenous people to participate in local franchising, give full play to their subjectivity, and make reasonable money. Drawing on the basic concept of protecting the environment and serving the people emphasized by the franchising of national parks in the United States, Canada and other countries, Patatson National Park should first detail the specific practice details of franchising, such as project scope The list, duration and fee management also need to establish a supporting system to realize franchising to feed back resource and environmental protection and community development.

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